HOUSE OF REPRESENTATIVES—Monday, July 21, 1986

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore [Mr. WRIGHT].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC July 17, 1986.

I hereby designate the Honorable Jim WRIGHT to act as Speaker pro tempore on Monday, July 21, 1986.

THOMAS P. O'NEILL, Jr., Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following praver:

Gracious God, help us to see the grandeur and the glory of living even as we are aware of suffering in our world. May we develop attitudes of thanksgiving and hearts full of praise for the marvelous gifts of life and love that surround us day by day.

For Your gift of life and for Your presence in every need, for Your for-giving spirit, for Your strength and hope that You freely impart, we offer

this our prayer. On this particular day, we pray for

the family of George O'Brien. We are grateful for his good works among us, and we pray that Your peace that passes all understanding be with him and them now and evermore. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment bills, joint resolution, and concurrent resolution of the House of the following titles:

H.R. 4409. An act to authorize appropriations for fiscal year 1987 for the operation and maintenance of the Panama Canal, and for other purposes:

H.R. 4985. An act to authorize the distribution within the United States of the USIA film entitled "The March";

H.J. Res. 672. Joint resolution ratifying COMMUNICATION and affirming the report of January 15, 1986, of the Director of the Office of Management and Budget and the Director of the Congressional Budget Office with respect to fiscal year 1986; and

H. Con. Res. 368. Concurrent resolution correcting the enrollment of H.J. Res. 672.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 415) "An act to amend the Education of the Handicapped Act to authorize the award of reasonable attorneys' fees to certain prevailing parties, and to clarify the effect of the Education of the Handicapped Act on rights, procedures, and remedies under other laws relating to the prohibition of discrimination.'

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 1874) "An act to authorize quality educational programs for deaf individuals, to foster improved educational programs for deaf individuals throughout the United States, to reenact and codify certain provisions of law relating to the education of the deaf, and for other purposes."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3113. An act providing for the coordinated operation of the Central Valley project and the State water project in Cali-

The message also announced that the Senate had passed bills and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 2129. An act to facilitate the ability of organizations to establish risk retention groups, to facilitate the ability of such organizations to purchase liability insurance on a group basis, and for other purposes;

S. 2572. An act to provide economic support for the November 15, 1985, agreement between the Government of Ireland and the Government of the United Kingdom, and for other purposes;

S. Con. Res. 137. Concurrent resolution expressing the sense of the Congress that the Federal Government take immediate steps to support a National STORM Program; and

S. Con. Res. 143. Concurrent resolution expressing the sense of the Congress on the resumption of the United Nations High Commissioner for Refugees Orderly Departure Program for Vietnam.

FROM THE BILL HONORABLE BONER, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from Hon. BILL BONER:

HOUSE OF REPRESENTATIVES, Washington, DC, July 17, 1986. Hon. THOMAS P. O'NEILL, Jr.,

Speaker of the House of Representatives, Speaker's Rooms, The Capitol, Washington, DC.

DEAR MR. SPEAKER: On June 5, 1986 I notified you, pursuant to the requirements of Rule L(50) of the Rules of the House of Representatives, that certain present and former members of my staff had been served with subpoenas issued by the United States District Court for the Middle District of Tennessee. I have consulted with the General Counsel to the Clerk of the House and we have determined that compliance with the subpoenas may be effected consistent with the privileges and precedents of the House.

Sincerely.

BILL BONER. Member of Congress.

COMMUNICATION FROM THE HONORABLE WILLIAM L. DICK-INSON, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from Hon. WILLIAM L. DICKINSON:

HOUSE OF REPRESENTATIVES. Washington, DC, July 18, 1986. Hon. THOMAS P. O'NEILL, Jr.,

Speaker of the House of Representatives.

DEAR MR. SPEAKER: This is to notify you, pursuant to Rule L(50) of the Rules of the House of Representatives, that I have been served with a subpoena issued by the United States District Court for the Middle District of Alabama. After consultation with the General Counsel to the Clerk, I will notify you of my determinations as required by the House Rule.

Sincerely.

WM. L. DICKINSON.

APPOINTMENT OF CONFEREES ON S. 426, S. 410, H.R. 2005, and S. 1078

The SPEAKER pro tempore. Without objection, the Chair announces the appointment of the following Members as conferees to replace vacancies caused by the resignation of JAMES T. BROYHILL of North Carolina from the House of Representatives:

On S. 426, Mr. LENT. On S. 410, Mr. LENT. On H.R. 2005, Mr. TAUKE; and On S. 1078, Mr. TAUKE. There was no objection.

[☐] This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Clerk will notify the Senate of the change in conferees.

HOUR OF MEETING ON TUESDAY, JULY 22, 1986

Mr. GRAY of Illinois. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 4 p.m. on Tuesday July 22,

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO FILE REPORT ON H.R. 4370, DEPART-MENT OF DEFENSE REORGANI-ZATION ACT

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have until midnight tonight to file a report on H.R. 4370, the Bill Nichols Department of Defense Reorganization Act.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

NATURAL RESOURCES AND DEMOCRATIC GOALS

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, last week, White House Chief of Staff Donald T. Regan stated that sanctions against South Africa would hurt the diamond trade and asked "Are the women of America prepared to give up all their jewelry?'

Regan is telling the world that the United States is only interested in South Africa's natural resources and that the present regime will guarantee

us those natural resources.

Both assertions are false. Most Americans are interested in democracy in South Africa for all South Africans. Even the Reagan administration, at least in reference to Chile, understands that continued repression will bring results we do not care to see. Assistant Secretary of State Elliot Abrams said recently that "Our policy is to help the advancement of a transition to democracy. Those who oppose that run a great danger of playing into the hands of the Communists.'

The same can and should be said of South Africa. Indeed, if you favor democracy and the availability of natural resources, and are opposed to communism, you should support sanctions against the present repressive, unsta-

In the long run, it is in our national interest to seek a free and stable

ble regime.

The SPEAKER pro tempore. The South Africa, a better ally than a country wracked by apartheid and instability.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote, or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Tuesday, July 22, 1986.

OCS PAPERWORK AND REPORTING ACT

Mr. JONES of North Carolina. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1068) to eliminate unnecessary paperwork and reporting requirements contained in section 15(1) of the Outer Continental Shelf Lands Act, and sections 601 and 606 of the Outer Continental Shelf Lands Act Amendments of 1978.

The Clerk read as follows:

S. 1068

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be referred to as the "OCS Paperwork and Reporting Act'

SEC. 2. (a) Section 15(1) of the Outer Continental Shelf Lands Act, as amended (43

U.S.C. 1343(1)), is amended by-

(1) adding the word "and" after "activiin paragraph (C):

(2) deleting paragraph (D); and

(3) redesignating paragraph (E) as paragraph (D).

(b) Title VI of the Outer Continental Shelf Lands Act Amendments of 1978 is amended by deleting section 601 (43 U.S.C. 1861).

(c) Title VI of the Outer Continental Shelf Lands Act Amendments of 1978 is amended by deleting section 606 (43 U.S.C. 1865) and inserting in lieu thereof the fol-

"INVESTIGATION OF RESERVES OF OIL AND GAS IN OUTER CONTINENTAL SHELF

"SEC. 606. The Secretary of the Interior shall conduct a continuing investigation to determine an estimate of the total discovered crude oil and natural gas reserves by fields (including proved and indicated re-serves) and undiscovered crude oil and natural gas resources (including hypothetical and speculative resources) of the Outer Continental Shelf.

"The Secretary of the Interior shall provide a biennial report to Congress on June 30 of every odd numbered year on the re-

sults of such investigation."

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from North Carolina [Mr. Jones] will be recognized for 20 minutes and the gentleman from California [Mr. Shumway] will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. Jones].

Mr. JONES of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 1068 would implement a longstanding recommendation of the General Accounting Office to eliminate or modify certain reporting requirements of the Department of the Interior under the Outer Continental Shelf Lands Act.

Under existing law, the Interior Department must include in its annual OCS report, a list of all shut-in oil and gas wells and wells flaring natural gas. It also requires an evaluation by GAO of the Department's methods in determining whether or not to require production from the wells or the end of flaring.

For 5 consecutive years, GAO has reported to Congress that the Department's methods are reasonable and that the legislative requirement for this annual report be repealed. S. 1068 would carry out that repeal

Another section of the OSC law requires the Department to conduct a continuing investigation to determine an estimate of discovered and undiscovered crude oil and natural gas on the OCS. This section presently includes a number of provisions that are out of date, have already been accomplished, or do not best meet the needs or intent of Congress.

S. 1068 eliminates the unnecessary provisions in this section but retains the requirements that the Secretary continue to make reserve and resource estimates and report to the Congress

on a biennial basis.

I want to make it clear that this legislation only eliminates and modifies certain reporting requirements of the Department. It, in no way, changes the Department's shut-in and flaring gas well monitoring or production responsibilities ratesetting under other provisions of the law.

A more complete explanation of this particular point is contained in an exchange of letters between my good friend from Arizona, the chairman of the Interior Committee, Mr. UDALL, and myself, and Secretary of the Interior Hodel. Chairman UDALL and I wanted to make certain that the executive and legislative branches had the same interpretation about the effect of this legislation.

Secretary Hodel responded favorably to our questions and indicated his

strong support for S. 1068.

The Congressional Budget Office estimates that enactment of this bill will save the Department some \$250,000 annually. In this time of budgetary deficits, we should not overlook an opportunity-even as small as this-to eliminate unnecessary paperwork and reporting expenses.

I know of no opposition to this bill and I urge my colleagues to pass it today so that we may send it to the President for his signature.

Mr. Speaker, before concluding my statement, I am inserting copies of the letters on this matter between Secretary Hodel and Chairman UDALL and myself in the RECORD at this point in

the debate.

COMMITTEE ON MERCHANT MARINE AND FISHERIES, Washington, DC, May 13, 1986.

Hon. Donald P. Hodel, Secretary of the Interior, Washington, DC.

DEAR MR. SECRETARY: On July 9, 1985, the Senate passed S. 1068, the OCS Paperwork and Reporting Act. That bill is similar to H.R. 1983 which we introduced, with nine

co-sponsors, on April 4, 1985.

As passed by the Senate, the bill was jointly referred to our two Committees. On April 9, 1986, the Committee on Merchant Marine and Fisheries favorably reported S. 1068, as amended by the Senate, without further amendment. The legislation is presently being considered by the Committee on Interior and Insular Affairs.

Prior to final disposition by the Interior Committee and passage by the House, we would like to take this opportunity to indicate our understanding about the effect of the bill and, if you agree, be advised of your affirmation of such effect. Assuming that we are able to reach a mutually acceptable understanding, the Interior Committee is prepared to move expeditiously so that the House can take final Congressional action very soon.

Section 2(a) of S. 1068 repeals Section 15(1)(D) of the Outer Continental Shelf Lands Act (OCSLA), which requires you to include in the Department of the Interior's annual report on OCS leasing and production "a list of all shut-in and flaring wells".

Section 2(b) repeals Section 601 of the OCSLA amendments of 1978. Section 601 requires that you provide an annual report to the Comptroller General on OCS oil and gas wells that are shut-in and natural gas wells that are being flared. Its also requires you to indicate the reasons for shutting-in or flaring each well and whether you will order its production or cessation of flaring. Finally, Section 601 requires the Comptroller General to review and evaluate the methodology which you used in deciding whether or not to require production of the well or the cessation of flaring.

the cessation of flaring.
Section 2(c) amends Section 606 of the OCSLA by deleting the seven subsections in existing law and replacing them with a single section that requires you to carry out two activities: (1) conduct a continuing investigation to determine an estimate of the total discovered crude oil and natural gas reserves by field (including proved and indicated reserves) and undiscovered crude oil and gas (including hypothetical and speculative resources) of the OCS; and (2) provide a biennial report to Congress on June 30 of every odd-numbered year on the results of the investigation.

Under existing law (Section 606), you are to include in the investigation a determination of the maximum attainable rate of production (MAR) of significant oil and gas fields of the OCS and whether actual production has been less than MAR, including the reasons therefore. Section 606 also re-

quires that this continuing investigation in-

clude an estimate of discovered and undis-

covered crude oil and gas reserves on the OCS, the relationship of all the information collected to requirements of conservation, industry, commerce, and the national defense and an independent evaluation of trade association procedures for estimating OCS reserves. These requirements, other than those related to the continuing investigation of resource estimates, would be deleted under S. 1068.

Prior to the enactment of the 1978 OCS amendments, concern about potential withholding of oil and gas production, the adequacy of resource information, and efficient rates of oil and gas production was manifested in investigations and hearings on the part of both the Congress and the Executive branch. Within the context of the OCS amendments, such concern was reflected, in part, by the inclusion of Sections 15(1) (D), 601 and 606.

These provisions, of course, only require the reporting of certain information to the Congress and they were intended to improve the data-gathering and monitoring work of the Department. We believe that such reporting requirements have essentially achieved their intended goals. A variety of oversight hearings and reports, particularly those developed by the General Accounting Office, indicate that the Department has made substantial improvements in its administrative control and monitoring of resource development activities on the OCS since 1978.

For example, the first GAO report issued on the Department's regulations of shut-in or flaring natural gas wells was highly critical of the Department's methods. In its November 21, 1979, report (EMD-803), GAO stated that the Department "lacks adequate oversight of shut-in or flaring natural gas wells on the outer continental shelf", and made a number of recommendations for improvement.

Subsequent to that report, GAO has made a series of findings indicating major improvement in the Department's oversight of shut-in or flaring natural gas wells. The 1985 GAO review was the fifth consecutive report to indicate that the Department's methodology is reasonable and that the legislative requirements for an annual report and a GAO evaluation of such methodology be repealed.

We agree with the GAO recommendation in this regard. At the same time, we want to make it clear that abolishing the report does not affect the Department's continuing responsibility for inspecting and monitoring OCS lease activities to ensure efficient development of oil and gas resources.

In particular, with respect to shut-in or flaring gas wells, we would note that Section 5(a) of the OCSLA gives you broad authority to prescribe rules and regulations that are necessary and proper "to provide for the prevention of waste and conservation of the natural resources of the outer Continental Shelf..." Additionally, Section 5(i) prohibits the flaring of natural gas from the OCS unless you find "that there is no practical way to complete production of such gas, or that such flaring is necessary to alleviate a temporary emergency situation or to conduct testing or work-over operations."

These subsections are not amended by S. 1068 and, in conjunction with other provisions of the law requiring the conservation and efficient production of OCS resources, continued to require diligence on the part of the Department in monitoring the operation of all offshore oil and gas wells. We do

not intend, in any way, that S. 1068 be interpreted as reducing those adminstration requirements on the Department.

With respect to the amendment to Section 606, we are repealing a number of outdated and unneeded reporting requirements. We are clearly de-emphasizing the need to report maximum attainable rates of production, analyses of projected MARs compared to actual production rates, the relationship of OCS production and reserve information to the requirements of conservation, industry, and the national defense, and an independent evaluation of trade association procedures for estimating OCS reserves.

We agree with the GAO report of September 10, 1982, (EMD-82-97) that the MAR is a hypothetical number of little practical value and that minimum use is made of the MAR reports. At the same time, we would note that we favor the continued use, where appropriate, of the maximum production rate (MPR) and the maximum efficient rate (MER). The former is the approved maximum daily rate at which oil may be produced from a specified oil well completion or the maximum approved daily rate at which gas may be produced from a specified gas well completion. The latter is the maximum sustainable daily oil or gas withdrawal rate from a reservoir which will permit economic development and depletion of that reservoir without detriment to ultimate recovery

Again, the elimination of the MAR reports and other elements noted in Section 606 do not, in any way, affect the continuing responsibilities of the Department to make certain that its rate-setting functions are carried out in accordance with the law.

For example, Section 106 of the Energy Policy and Conservation Act (PL-94-163, December 22, 1975) requires you to promulgate regulations to determine, to the greatest extent practicable, the maximum efficient rate of production, and, if any, the temporary emergency production rate in each field on federal lands which contain significant volumes of oil and gas. Furthermore, the President is authorized to require such fields to be produced at the MER or, during a severe energy-supply interruption, at the temporary emergency production rate.

Section 5(a)(7) of the OCSLA provides you with broad authority to promulgate and enforce regulation "for the prompt and efficient exploration and development of a lease area." Section 5(g) provides that an OCS lessee shall produce "at rates consistent with any rule or order issued by the President in accordance with any provision of law." The subsection also states that if no such rule or order has been issued,

"... the lessee shall produce such oil or gas, or both, at rates consistent with any regulation promulgated by the Secretary of Energy which is to assure the maximum rate of production which may be sustained without loss of ultimate recovery of oil or gas, or both, under sound engineering and economic principles, which is safe for the duration of the activity covered by the approved plan. The Secretary (of the Interior) may permit the lessee to vary such rates if he finds that such variance is necessary."

We would also note that the 1978 amendments originally gave the Department of Energy certain rate settling responsibilities for the OCS. Pursuant to PL 97-100, the Department of the Interior Appropriations Act for Fiscal Year 1982, such responsibilities were returned to the Department of the Interior. These include the establishment of

diligence requirements for operators of federal leases and the setting of rates of production for those leases.

The requirements of the above-noted provisions with respect to rate-setting functions on the OCS still obtain, not withstanding the removal of the reporting requirements contained in S. 1068. We trust that the legislation will eliminate unnecessary and unneeded reporting efforts and paperwork and, thus, reduce administration costs. However, S. 1068 does not remove the obligations of the Department of the Interior to report annually on the OCS leasing program, or its responsibility to insure prompt and efficient OCS exploration and development and to monitor closely all shut-in and flaring natural gas wells. We also trust that

We would appreciate a response to this letter as expeditiously as possible. If we mutually understand the intent of S. 1068 and the responsibilities that the Department will continue to carry out in the areas noted, we are prepared to move this bill to the House Floor for final passage as soon as nossible.

the shut-in, flaring gas, and production rate

data, which the Department will continue

to gather under the various requirements of

law, will be available to Congress and other

interested persons, upon request.

Sincerely,

Morris K. Udall, Chairman, Committee on Interior and Insular Affairs. Walter B. Jones, Chairman, Committee on Merchant Marine and Fisheries.

THE SECRETARY OF THE INTERIOR,
Washington, June 5, 1986.

Hon. WALTER B. JONES,

Chairman, Committee on Merchant Marine and Fisheries, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This is in response to your letter of May 13, 1986, concerning S. 1068, the Outer Continental Shelf (OCS) Paperwork and Reporting Act. We have reviewed your letter and concur in your understanding of the impact of S. 1068.

We strongly support the amendments to section 15(1)(D) and section 601 of the OCS Lands Act (OCSLA) in S. 1068 to eliminate the report on shut-in and flaring wells, which goes both to the Congress and to the Comptroller General. We have long believed that this report does not meet the congressional intent behind the statute. The legislative history indicates that when the reporting provision was enacted, the Congress was concerned that OCS operators might delay oil and gas production in anticipation of future higher prices. To address this con-cern, the Congress enacted the reporting provision to provide for some oversight of the potential for (1) wells being shut-in for economic rather than production reasons and (2) for flaring gas which could be productively used. The report does not and cannot realistically meet the congressional intent. It contains statistical data that is best used to analyze shut-in well and flaring trends and anomalies rather than attempting to judge whether or not production is being deliberately withheld or gas is being flared unnecessarily. We understand that the elimination of the reporting requirements pertaining to shut-in or flaring wells in no way affects our responsibilities to monitor those wells as required by the OCSLA. We fully recognize that the authorities granted by section 5(a) and the prohibitions prescribed in section 5(i) are in no way amended by S. 1068.

With respect to the requirement for a continuing investigation to determine an estimate of the discovered and undiscovered crude oil and natural gas fields, we strongly support the amendments to section 606 of the OCSLA in S. 1068 that would eliminate those parts of the current report that do not best meet the needs of the Congress. This includes the elimination of the requirement that we determine the maximum attainable rate of production (MAR) of significant oil and gas fields of the OCS and whether actual production has been less than the MAR, and if so, why. The MAR, as the General Accounting Office has previously pointed out, is not the most useful information on production rates and, as you note, little use is made of the MAR reports. The current reserves determination program and maximum production rate as required by OCS Order No. 11, are better sources of information. We will also continue to use the maximum efficient rate in establishing and monitoring production rates as appropriate

We fully understand that the amendments to section 606 of the OCSLA contained in S. 1068 in no way change our rate setting responsibilities under other provisions of the OCSLA, specifically sections 5(a) and 5(g), or under the provisions of section 106 of the Energy Policy and Conservation Act. We intend to continue to carry out those authorities as we have in the past.

Be assured we will continue to carry out our responsibilities under the OCSLA and will be happy to provide you with information on shut-in the flaring natural gas wells and data regarding production rates upon request. We welcome the changes contained in S. 1068 and strongly support its expeditious passage.

Sincerely,

DONALD PAUL HODEL.

□ 1210

Mr. Speaker, I reserve the balance of my time.

Mr. SHUMWAY. Mr. Speaker, I yield muself such time as I may consume.

Mr. Speaker, I rise in support of S. 1068, the Outer Continental Shelf Paperwork and Reporting Act of 1986.

This piece of legislation simply eliminates a number of reporting requirements which heretofore have been mandated by the Outer Continental Shelf Lands Act. Both the General Accounting Office [GAO] and the Department of the Interior believe that these reporting requirements are unnecessary and support their elimination. As the chairman, the author of this legislation, has indicated, both industry and the Federal Government will achieve savings through enactment of this legislation. As a cosponsor of the House companion bill, I am pleased that the Senate has acted on this matter and that we are in a position today to approve their legislation and send it to the President for his sig-

Reducing Federal costs and streamlining the regulatory process is always a good idea in my mind, and I congratulate Chairman Jones on his efforts in support of this legislation and I urge that the House suspend the rules and pass S. 1068.

Mr. FIELDS. Mr. Speaker, as a cosponsor of the House version of this legislation, I rise in support of S. 1068, a bill which eliminates several unnecessary Government reports involving certain oil and gas activities on the U.S. Outer Continental Shelf.

As the chairman has indicated, this bill, which is strongly supported by both the Reagan administration and the General Accounting Office, has three important goals:

First, the bill repeals section 15(1)(D) of the Outer Continental Shelf Lands Act which requires the Department of the Interior to include in its annual OCS report to the Congress a "List of All Shut-in and Flaring Wells."

Second, S. 1068 eliminates the requirement contained in section 601 of the OCSLA amendments of 1978 which instructs DOI to provide to the Comptroller General an annual report explaining not only the reasons for shutting in or flaring each well but whether the Secretary intends to order production or halt such flaring.

Mr. Speaker, with the decontrol of domestic energy prices, these reports, which are expensive and time consuming to prepare, are no longer relevant or necessary.

While it is difficult to calculate the precise dollar amount saved by this legislation, it is clear that by eliminating these reports both the Federal Government and the oil and gas industry, which is now obligated to provide this data, will save thousands of dollars.

Finally, Mr. Speaker, the bill amends section 606 of the OCSLA to simply require that DOI conduct an ongoing investigation to assess the amount of discovered and undiscovered energy resources of the OCS and to provide this data on a biannual basis to the U.S. Congress.

Mr. Speaker, while this is a simple and noncontroversial bill, it is, nevertheless, an important step in our ongoing effort to eliminate unnecessary Government paperwork and reporting requirements.

I would urge my colleagues to support S. 1068

Thank you, Mr. Speaker.

Mr. SHUMWAY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. JONES of North Carolina. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. Gray of Illinois). The question is on the motion offered by the gentleman from North Carolina [Mr. Jones] that the House suspend the rules and pass the Senate bill, S. 1068.

The question was taken; and (twothirds having voted in favor thereof) the rules were suspended, and the Senate bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 1068, the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

DEEP SEABED HARD MINERAL RESOURCES REAUTHORIZA-TION ACT OF 1986

Mr. JONES of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4212) to provide for the reauthorization of the Deep Seabed Hard Mineral Resources Act, and for other purposes.

The Clerk read as follows:

H.R. 4212

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, SECTION 1. SHORT TITLE.

This Act may be cited as the "Deep Seabed Hard Mineral Resources Reauthorization Act of 1986".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

Section 310 of the Deep Seabed Hard Mineral Resources Act (30 U.S.C. 1470) is amended-

(1) by striking out "and" immediately after "1984," and

(2) by inserting ", and \$1,500,000 for each of the fiscal years ending September 30, 1987, September 30, 1988, and September 30, 1989" immediately before the period at the end thereof.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from North Carolina [Mr. Jones] will be recognized for 20 minutes and the gentleman from California [Mr. Shumway] will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. Jones].

Mr. JONES of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Congress passed the original deep seabed mining law in 1980 and it has been reauthorized twice since then.

The bill before us today, H.R. 4212, is a simple extension of the program at level funding of \$1.5 million for each of the next 3 fiscal years.

This bill contains no other amendments to the law, would reauthorize a program supported by the administration, and enjoys the bipartisan support of the three committees of jurisdiction in the House. The only prob-lem with the Ocean Mining Program, Mr. Speaker, is that the minerals market today is such that seabed mining would not be a profitable commercial enterprise at this time.

However, the essential work of preparing for that day must continue.

The United States is heavily dependent on other nations for many of the metals that can be found in the deep seabed. It is important, therefore, that the regulatory and environmental work of the lead Federal agency, the National Oceanic and Atmospheric Administration-NOAA-continue.

NOAA has issued four licenses to explore the ocean for these minerals and will soon publish regulations for commercial recovery. This work, along with the important environmental efforts made by NOAA, should proceed at the modest level of funding contained in this bill.

I want to take this opportunity to thank the chairwoman of our Oceanography Subcommittee which has iurisdiction over this legislation, the gentlelady from Maryland, BARBARA MIKULSKI, and the ranking minority member on the subcommittee, Norm SHUMWAY of California.

I also want to express my appreciation to the distinguished gentleman from New York [Mr. LENT] for his service as ranking minority member of the Merchant Marine and Fisheries Committee. He worked with me in a bipartisan manner during this Congress and I wish him well in his new ranking position on the Energy and Commerce Committee.

This gives me a chance to welcome the committee's new ranking member, the gentleman from Michigan [Mr. Davis] and to thank him for his assistance on this bill.

The Interior and Foreign Affairs Committee also have jurisdiction over this bill and I would like to thank Chairmen UDALL and FASCELL-and their ranking minority members, Mr. Young of Alaska and Mr. Broomfield of Michigan-for helping us expedite the consideration of this bill. Also, I would like to commend the Interior Mining and Natural Resources Subcommittee chairman, Mr. RAHALL of West Virginia and his ranking member, Mr. CRAIG of Idaho, for their hearing and favorable report on this seabed mining bill.

Mr. Speaker, I reserve the balance of my time.

Mr. SHUMWAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today to support H.R. 4212, legislation to reauthorize the Deep Seabed Hard Minerals Resources Act.

In passing the Deep Seabed Act in 1980, the Congress found that our Nation's industrial needs for certain hard minerals, such as nickel, copper, cobalt, and manganese, "will continue to expand and the demand for such minerals will increasingly exceed the available domestic sources of supply." Moreover, the Congress found that the United States is dependent upon foreign sources of supply for many of these hard minerals and, "The present and future national interest of the United States requires the availability of hard mineral resources which is independent of the export policies of foreign nations.'

In response to these needs and this national interest, the Deep Seabed Hard Minerals Resources Act was enacted to establish a system to license exploration and development activities by private industry of manganese nodules found on the deep seabed-that is to say the area of the ocean seaward of the outer edge of the Continental Shelf, beyond national jurisdiction. As well, the act requires that NOAA regulate deep seabed exploration and development activities to ensure marine environment protection, conservation of natural resources, and safety of life and property at sea.

To date, NOAA has issued exploration licenses to four U.S.-based consortia. As well, pursuant to this act, in 1984 the United States concluded a "reciprocating States Agreement" with England, France, West Germany, Italy, Japan, the Netherlands, and Belgium. This Agreement seeks to resolve conflicting mining area claims and establishes minimum regulatory requirements for each nation's ocean mining program. The Reciprocating States Agreement provides a legal management regime for industry development in the absence of a successfully negotiated Law of the Sea

Treaty. Mr. Speaker, as the chairman of our committee has stated, this bill provides a straight 3-year authorization of NOAA's ocean mining operations at \$1.5 million per year, the same level of the program as presently authorized for. I am pleased to say that the administration strongly supports the reauthorization of this act, and I am aware of no opposition to this piece of legislation.

Mr. RAHALL. Mr. Speaker, the Committee on Interior and Insular Affairs is pleased to ioin with our colleagues on the Merchant Marine and Fisheries Committee in bringing to the floor H.R. 4212, the Deep Seabed Hard Mineral Resources Reauthorization Act of 1986, a bill that would reauthorize the Deep Sea Mining Program for an additional 3 years at the current funding level of \$1.5 million per

The Deep Seabed Act of 1980 authorized the National Oceanic and Atmospheric Administration [NOAA] to issue licenses for exploration and permits for commercial recovery of manganese nodules in international waters. The act is intended to provide regulatory certainty to enable continued development of the mining potential of the deep sea, and provide an orderly progression from non regulation to U.S. regulation of its citizens under similar regimes in other countries to mining under an international regime.

Manganese nodules are a potential future source of strategic and critical minerals, con-

taining commercially interesting amounts of manganese, cobalt, nickel, and copper.

Currently, the United States produces no manganese or cobalt, next to no nickel, and our domestic copper industry is struggling for its survival

I know there is not a single Member of Congress that is unaware of the volatile situation in South Africa. Not a day goes by without reports of the violence in that country, accompanied by constant warnings of labor unrest and strikes.

However, many may not be aware of our dependency on Southern Africa for many of our strategic and critical minerals. South Africa is our second largest supplier of manganese, and 50 percent of our cobalt, while mined in Zaire and Zambia, must use South Africa's railroads to get to port.

It is obvious that this Nation's supply of our most critical minerals is far from secure, and the Deep Sea Mining Program is an important step toward guaranteeing security. While commerical recovery of these deep sea resources is still years away, it is important that we move ahead with this program, protecting the ocean environment while assuring a future supply of these valuable resources.

I think that the current program is accomplishing these objectives and that the straight reauthorization provided by H.R. 4212 assures

the program's continuity.

Mr. SHUMWAY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. JONES of North Carolina. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina [Mr. Jones] that the House suspend the rules and pass the bill, H.R. 4212.

The question was taken; and (twothirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 4212, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

MICRONESIAN WORLD WAR II CLAIMS

Mr. SEIBERLING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4878) to require the Secretary of the Interior to submit to the House Interior and Insular Affairs Committee and the Senate Energy and Natural Resources Committee certain

information regarding Micronesian governments.

The Clerk read as follows:

HR. 4878

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no later than September 1, 1986, the Secretary of the Interior shall submit to the House Interior and Insular Affairs Committee and the Senate Energy and Natural Resources Committee a statement of the total amount of assistance provided as of such date by the Government of Japan to the areas which as of January 1, 1986, were included in the Trust Territory of the Pacific Islands (including assistance to the Trust Territory Government, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau). Such statement shall identify the recipient of such assistance and whether such assistance was in the form of grants or goods and services (and the valuation thereof if in goods and services) on and after October 15, 1977.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Ohio [Mr. SEI-BERLING] will be recognized for 20 minutes and the gentleman from Colorado [Mr. STRANG] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. SEIBERLING].

Mr. SEIBERLING. Mr. Speaker, I yield myself such time as I may con-

Mr. Speaker, H.R. 4878, the bill before us today, represents a bipartisan effort to move closer to a final resolution of Micronesian claims arising from World War II.

This bill, a no-cost bill as can be attested to by the CBO letter contained in the House report, simply directs the Secretary of the Interior to submit to the House Interior and Insular Affairs Committee and to the Senate Energy and Natural Resources Committee by a date certain a statement specifying the total amount of assistance provided by the Government of Japan to the governments in Micronesia since 1977. Such a statement would identify the recipient of assistance and whether such assistance was in the form of grants or goods and services on and after October 15, 1977.

This committee has been seeking this information from the executive branch for some years without success. The October 15, 1977, date is the effective date of Public Law 95-134, which contains a provision authorizing the Secretary of the Interior to pay the remaining title I Micronesian war claims owed, providing the Japanese have contributed at least 50 percent of the total awards in grants or goods and services. The information to be provided by the Secretary is to enable Congress to determine whether Japan has indeed done this.

It is hoped that with this additional legislative prodding, we may yet see what supposedly is circulating within

the executive branch. A recent headline in the Northern Marianas newspaper of July 4, 1986, summarizes the longevity of this unresolved matter of war claims: "Half of War Claimants Died Unpaid."

The last of the legislation providing for a new political relationship of free association between the United States and the Micronesian Governments was favorably reported from the Interior Committee in late June. The United Nations Trusteeship Council in late May approved a resolution to seek termination of the trusteeship before the U.N. Security Council this year. All of the pieces are slowly falling into place. with a few exceptions. This is one piece of unfinished business that Congress needs to complete in order to fulfill its commitments to the Micronesians. I would urge my colleagues to support this legislation.

□ 1225

Mr. Speaker, I reserve the balance of

Mr. STRANG. Mr. Speaker, I yield myself such time as I may consume and rise in support of H.R. 4878.

Mr. Speaker, no new outlays or costs will be incurred to carry out the provisions of this bill. This legislation does no more than to direct the Secretary of the Interior to determine the level of contributions made by the Japanese Government to Micronesia. This question has remained unresolved for many years and, in spite of written and verbal requests to various Government agencies, a formal definitive response has not been received.

This legislation should finally clarify

the issue.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SEIBERLING. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio [Mr. SEIBER-LING] that the House suspend the rules and pass the bill, H.R. 4878.

The question was taken; and (twothirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

TEXAS WILDERNESS ACT AMENDMENTS OF 1986

Mr. SEIBERLING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4685) to adjust the boundaries of areas of the National Wilderness Preservation System in the State of Texas, as amended.

The Clerk read as follows:

H.R. 4685

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act shall be known as the "Texas Wilderness Act Amendments of 1986."

SEC. 2. BOUNDARY ADJUSTMENT.

(a) BOUNDARIES.—The boundaries of the wilderness areas designated by the Wilderness Act are modified as shown on the maps entited "Texas Wilderness Boundary Boundary Charges", numbered 1-5, dated June 1986.

WILDERNESS (b) ADMINISTRATION OF Areas.-Subject to valid existing rights, lands designated as wilderness by subsection (a) shall be included within the national forest system and administered in accordance with the laws and regulations applicable to national forest wilderness areas, including the provisions of the Wilderness Act (16 U.S.C. 1131-1136) and the Texas Wilderness Act of 1984 (Public Law 98-574). In areas added to the national wilderness system by this Act, the grazing of livestock, where established prior to the date of enactment of this Act, shall be permitted to continue subject to such reasonable regulations as are deemed necessary by the Secretary of Agriculture.

SEC. 3. MAPS AND BOUNDARIES.

As soon as practiable after enactment of this Act, the Secretary of Agriculture shall file a map and legal descriptions of each wilderness area affected by this Act, incorporating the boundary modifications referred to in section 2(a) of this Act, with the Committee on Interior and Insular Affairs and the Committee on Agriculture of the United States House of Representatives and with the Committee on Agriculture, Nutrition, and Forestry of the United States Senate. Each such map shall have the same force and effect as if included in this Act, except that correction of clerical and typographical errors in each such map may be made by the Secretary. Each such map and description shall be on file and available for public inspection in the Office of the Chief of the Forest Service, Department of Agriculture.

The SPEAKER pro tempore. Is a second demanded?

Mr. STRANG. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. Seiber-LING] will be recognized for 20 minutes and the gentleman from Colorado [Mr. STRANG] will be recognized for 20 minutes

The Chair recognizes the gentleman from Ohio [Mr. SEIBERLING].

Mr. SEIBERLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 4685, the Texas Wilderness Act Amendments of 1986. This bill would modify the boundaries of the five National Forest wildnerness areas that the Congress designated on national forest lands in the State of in 1984. These Texas boundary changes have two purposes. The first is to increase the manageability of these wilderness areas by evening out jagged boundaries, and by moving the boundary lines to make them more easily signed and recognizable.

The second is to enable the addition to wilderness of small but ecologically and recreationally significant tracts of land just outside of the wilderness boundaries enacted in 1984. Since 1984, some of these lands have been acquired by a private conservation group specifically so that they could be added to wilderness. The boundary changes in H.R. 4685 will allow that to happen.

The net change of the boundary adjustments incorporated in H.R. 4685 would be an addition of 1,770 acres of wilderness. These additions are small ones, but they are significant beyond their acreage. They add greatly to the manageability of these areas, and to their wilderness values.

These areas are in east Texas. Representatives CHARLES WILSON and JOE BARTON, whose districts are affected by this bill, were cosponsors of this bill, and they, along with their col-leagues from Texas, Representatives JOHN BRYANT and STEVE BARTLETT. submitted testimony in favor of the bill to the Public Lands Subcommittee. I want to thank all of those Representatives for their efforts in bringing this bipartisan proposal before the Congress and before our committee.

Mr. Speaker, when we passed the Texas Wilderness Act in 1984 which first set aside these five areas, our distinguished former colleague, Representative Sam Hall, and I had a long discussion on the floor about the effect of wilderness designation on the private mineral rights which underlie some of these areas. I want to emphasize that I, and the committee stand by what was said then.

This issue has been raised again regarding 45 acres in the areas added to wilderness by H.R. 4685, whose mineral rights are owned by ARCO. The bill before us designates this area as wilderness "subject to valid existing rights," and that includes those mineral rights. We are not talking about Federal leases here, but about privately owned mineral rights. The nature of those rights is not defined by Federal law, but by the property law of the State of Texas. The ownership of those rights will not be affected by this legislation. In fact, under the provisions of section 5 of the Wilderness Act of 1964, the Forest Service is expressly denied any right to condemn those rights or take them without the consent of their present owners, once the area is designated as wilderness.

The intent of this bill is to direct the Forest Service to do all it reasonably can to protect the surface values of these lands. However, if required, ARCO will be entitled to such access as is reasonably necessary.

This 45 acres is a small piece of land, but it is an important addition to the small Upland Island Wilderness area, enabling us to completely protect a ridge of upland pine in an area of Texas where most similar ridges outside of wilderness have long since been logged and roaded.

My staff have discussed this situation with ARCO, and ARCO has told them that, with the clarification I hope that my remarks today provides on this point, they are satisfied that this bill will not interfere with their rights in this area.

Mr. Speaker, I will conclude my remarks by saying that this is a worthy piece of legislation that has been worked out by Members from both sides of the aisle with the interested parties in their district. I support it heartily, and I ask all my colleagues to join me in voting for it.

Mr. GONZALES. Mr. Speaker, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Texas.

Mr. GONZALES. Mr. Speaker, I thank the gentleman for yielding to

Mr. Speaker, I think the record ought to show that the committee did some excellent work here, and that this matter has had a long history that was very, very controversial.

I think that the record ought to show also that our former U.S. Senator Ralph Yarborough was the one who labored hard and fought against, at that time, insurmountable odds in order to get the East Texas Wilderness Area as a public accessible area. I think that when he left the Senate, it was one of those things that had ended up being a temporary defeat for him.

Today, though, I notice we have two coauthors and the addition of two of my colleagues from Texas whose districts, however, are some distance, like mine, from the East Texas Wilderness Area. Also the report shows that the area involved is in three congressional districts. One is JIM CHAPMAN's, the other is Mr. Barton's, and the other is Mr. WILSON'S.

Mr. Wilson, for many, many years here, had also been engaged in a rather bitter struggle as to the definition, so that even though the East Texas Wilderness Area is in one extreme, over in deep east Texas, for a while it was an all-Texas controversy and an issue.

What I wanted to ask was, I did not notice the presence of Mr. Chapman signifying his cojoinder or his approval. Is there any reason for that?

Mr. SEIBERLING. Mr. Speaker, the gentleman is simply not one of the coauthors. But we had no objection from any of the Representatives from Texas. As far as I know, the gentle-

man is not opposed to this.

Mr. GONZALEZ. Mr. Speaker, I want to thank the gentleman and I want to thank the subcommittee for a good job. This is a very valuable action. It enhances the common good and the common wealth and the common substance of the State of Texas. It is a very, very priceless part of our heritage.

Mr. SEIBERLING. I thank the gentleman from Texas for his support and for his adding to the record of this leg-

islation.

I personally visited most of these areas, as I try to do before we act upon them, and I can certainly say that they are outstanding examples of what was formerly a vast wilderness in east Texas. These will preserve some of the best remnants of that wilderness for people in Texas and other parts of the country to enjoy.

I think now that we have had 2 years in which these wilderness designations have been in effect, we can see that many of the fears that were expressed prior to their enactment have not materialized, and we are simply trying to make some minor adjustments here to have a better and more easily managed and easily identified

set of areas.

□ 1235

Mr. GONZALEZ. If the gentleman will continue to yield, I would like to just sum up by praising the distinguished chairman from Ohio because, as he just said, he has personally visited these places. I have seen reports and pictures and movies of the chairman all the way from the Arctic and Alaska clear down to the east Texas wilderness.

I think the House should note that the gentleman has had a very distinguished career in this respect. I want to express the gratitude of my colleagues.

Mr. SEIBERLING. I thank the gentleman for his comments.

Mr. STRANG. Mr. Speaker, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Colorado.

Mr. STRANG. I thank the gentleman for yielding to me.

Mr. Speaker, the gentleman's comments on ARCO would be construed to be generic in nature, I trust, and apply to any other mineral rights legally?

Mr. SEIBERLING. They would; that is right.

Mr. Speaker, I reserve the balance of my time.

Mr. STRANG. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the Texas wilderness boundary adjustment bill.

The bill adds approximately 1,700 acres to 5 existing wilderness areas in Texas through numerous small boundary adjustments and additions.

Several of the adjustments are to accommodate requests made by the Forest Service to improve the manageability of the boundaries while others are proposed by conservationists to round out the areas.

Some concern has been raised over the question of access to privately held mineral rights. I believe it is the committee's intent that the wilderness designations are subject to valid existing rights and that in the case of privately held mineral rights that reasonable access is assured. I understand this issue was debated in 1984 when the original Texas wilderness bill was passed and I understand the chairman stands behind this colloquy and has referred to it in his statement.

Mr. Speaker, I have had occasion to discuss passage of this bill today with my colleagues, Mr. Bartlett and Mr. Barton of Texas and they have urged me, strongly, to support this bill and express the support of the floor.

With this commitment, I urge my

colleagues to support the bill.

Mr. Speaker, I yield back the balance of my time.

Mr. BRYANT. Mr. Speaker, I am an original cosponsor of H.R. 4685, the Texas Wilderness Boundary Adjustment Act. This bill adds another 1,800 acres to the 34,346 acres of wilderness established by the Texas Wilderness Act of 1984, which created five federally protected wilderness areas in east Texas. They are: the Big Slough Wilderness Area in the Davy Crockett National Forest, the Upland Island and the Turkey Hill Wilderness Areas in the Angelina National Forest, the Indian Mounds Wilderness Area in the Sabine National Forest, and the Little Lake Creek Wilderness Area in the Sam Houston National Forest.

The bill adjusts the boundaries of the five wilderness areas to make them more accessible to the public and to include several more unique sites. One of the sites called the Jug Hole, located in Indian Mounds, is a shaded rock pool which once served as a watering place for wagon trains.

The bill also makes management of the areas by the Forest Service easier. At present, the notification signs which the Forest Service has provided are 100 feet or more from the road.

The intrusion of some private land into the wilderness areas has made it exceedingly difficult for the Forest Service to manage them appropriately, and this legislation would resolve those problems. In addition, some environmental groups have acquired notable tracts of land adjacent to the wilderness areas and would like

to see them protected by law from development. They would like them included in the designated wilderness areas; this bill would accommodate that.

I ask that the House adopt H.R. 4685 so that future generations can discover and enjoy a little bit more of Texas rich natural heritage as it is today.

Mr. SEIBERLING. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio [Mr. Seiberling] that the House suspend the rules and pass the bill, H.R. 4685, as amended.

The question was taken; and (twothirds have voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the

gentleman from Ohio? There was no objection.

ELIMINATING DEATH AND TAXES

(Mr. PETRI asked and was given permission to address the House for 1 minute.)

Mr. PETRI. Mr. Speaker, the opening sentence of the Education and Labor Committee report on H.R. 1309 claims that the bill is "designed to reduce and, eventualy, eliminate death" due to occupational diseases. Meanwhile, other congressional committees are promising ever lower taxes. While such rhetoric is comforting during this election year, the old saw is still true: There's no escaping death and taxes.

As much as I might wish to eliminate death due to occupational diseases, H.R. 1309 won't do it. Instead, the bill would simply notify workers who are already at risk. Even the committee report admits that in most cases this notice would come to late to help.

For this reason, I am offering an alternative that beefs up OSHA warnings of occupational health hazards so that workers can avoid harmful exposures. While this may not eliminate death, it will promote health working conditions. Now let's tackle those taxes.

ACID RAIN: A HARMFUL REALITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. Nelson] is

recognized for 5 minutes.

Mr. NELSON of Florida. Mr. Speaker, the Nation's scientists have reported that acid rain is a real and dangerous threat to our environment. The U.S. Environmental Protection Agency has confirmed that Florida has the greatest number and percentage of acidic lakes in the Nation. According to preliminary results of a survey completed by the EPA, over 25 percent of the lakes sampled were acidic and 54 percent were sensitive to becoming acidic. According to many researchers and conservationists, nothing is being done to protect these lakes and their fish populations. As a representative of the State of Florida, and concerned with the welfare of its natural beauty and aquatic life, I am a cosponsor of H.R. 4567, the Acid Deposition Control Act of 1986, legislation which, I feel, takes major steps in protecting our environment.

Acid rain is caused by the 25 million tons of sulfur dioxide and 19 million tons of nitrogen oxides emitted each year in the United States, mainly by utility plants. Over 1 million tons of sulfur dioxide alone is released in Florida each year. In the past, most concern over its effect has centered on the northeastern United States and Canada, where prevailing winds carry pollutants from the heavily industrialized

Midwest.

While utility plants around our Nation realize the dangerous effects of acid rain, they are also concerned, and rightly so, about the cost of our actions to their customers. It is my belief that, due to the number of States involved in this problem, we can all work together so that, while our utilities should not suffer any adverse effects from H.R. 4567, neither should our environment suffer any adverse effects from acid rain.

Mr. Speaker, H.R. 4567, the Acid Deposition Control Act of 1986, is worthwhile and necessary legislation. And those who support such a bill have already obtained the wisdom and foresight to stop acid rain before irreversible

SECTION 504 OF THE REHABILITA-TION ACT AND DISCRIMINA-TION AGAINST PEOPLE WITH DISEASE IN THE WORKPLACE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. Frank]

is recognized for 60 minutes.

acidification becomes widespread.

Mr. FRANK. Mr. Speaker, last month the Department of Justice issued an opinion, titled a memorandum, at the request of the General Counsel to the Department of Health and Human Services on the question of the applicability of section 504 of the Rehabilitation Act to people suffering from AIDS or AIDS-related complex or infected with the AIDS virus.

Section 504 was passed by Congress and signed by the President to protect people who are ill, people who are handicapped, people who, through no fault of their own find themselves in imperfect health, from job discrimination.

A good deal of lipservice is paid in this country to the value of work and the importance of people working. Ironically, some of those who most fervently proclaim their devotion to the work ethic are not always very helpful when vulnerable individuals want to work.

This administration in particular has, in my judgment, been hypocritical in the extreme, on the one hand, in insisting on its devotion to the value of work and, on the other hand, in area after area, undercutting legislation on the books and previous regulatory policy that seeks to enable people to work where they have faced what we all understand to be barriers of an irrelevant sort because people do not like their race, their religion, their sex, their sexual orientation or the state of their health.

Section 504 says that if you are otherwise able to perform the job, the fact that you have some handicap, some illness, is not a valid ground for people to throw you out. That law, unfortunately, does not apply in general in the country. This particular act applies to those who are recipients of Federal funds. What we say is that you cannot come to the Federal Government and say, "Give me some money," and then use that money in part to discriminate against people who have some handicaps.

AIDS is a terrible illness. It has caused death in distressing numbers to a variety of our fellow citizens. It in particular strikes several groups who have been most vulnerable, some of whom are victims of prejudice in other ways. Among those are gay men.

Often the victims of employmentbased prejudice, the gay men who suffer from AIDS, who have AIDS-related complex or a carrier from AIDS are in many ways doubly vulnerable.

Naively, many people thought that the clear statement in Federal law that you cannot discriminate against people based on their handicap if you are receiving Federal funds, and let me underline: This is not a case of the Federal Government dealing with people who are purely, privately involved. This has to do with people who are receiving Federal funds in this particular statute.

The question is what happens to people who are suffering from this illness, people who have AIDS-related complex, which means that they have some of its ill effects but not all of them. People who have the antibodies which means that they have a strong possibility.

□ 1245

The percentage is unclear. It is less than 50 percent, we believe and hope, but they have a possibility of contracting the disease. In the great majority of cases, these are people who are capable of working. There have been instances of job discrimination. Tragically, there are cases of politicians with a lack of scruple that is extraordinary even in a profession where scruple is not always present.

There are people who have sunk to the point of demagoging against people with AIDS, a classic case of blaming the victim and inflicting pain and hardship on people who are already suffering and on their families and on their friends.

There are people who have sought to use this terrible illness as an excuse to bolster their prejudices against gay men in general and to further their ability to act in a bigoted manner.

Fortunately, the medical profession in this country has been extremely responsible in this area, including those who work for the Federal Government. I want to pay tribute to the people in the Department of Health and Human Services, to the Center for Disease Control, because in the face of demagogic efforts to mislead people about the way in which AIDS is transmitting, in the face of demagogic efforts to trade on this illness for political purposes, to further victimize individuals, the medical profession has been very clear. AIDS is not transmissible through the normal kinds of contact people have with each other. It is transmissible through sexual intercourse. It is transmissible through blood transfusions. It is transmissible when people inject themselves with needles or other instruments where the virus is a carrier, but it is not transmissible in the kind of day-to-day communication people have with each other in the workplace and in the home.

We have, tragically, cases of children being victims of AIDS.

There are no cases of a sibling transmitting to another sibling this illness. People who know small children know how intimately they live with each other. They share food. They share beds. They share bathroom facilities. They do not transmit AIDS to each other.

So people thought, given that AIDS is not transmissible even in the normal or even in the extraordinary workplace situation, it is not transmissible through casual contact, people thought the law would be clear. The law says that you cannot fire someone who is able to do the job because of his or her handicap.

The Department of Health and Human Services, understanding that AIDS is not transmissible in the ways that people interact with each other when they work and when they socialize in general, when they shop and in other ways come into normal contact with each other, the Department of Health and Human Services clearly figured that this would mean that

people who were recipients of Federal funds could not discriminate against people with AIDS, people with AIDS-related conditions, and they asked the Justice Department to clarify that and by every indication we have, the lawyers who do the basic work in the Justice Department read the law and said, "Yes, that's right. It says it right there."

If you have a handicap, AIDS, which is sadly always fatal in our experience to date, yes, if someone fires you because you have AIDS or AIDS-related complex or if you have the antibodies and they fire you, not because you cannot do the job, but because you have this illness, then you have been discriminated against by recipients of Federal funds; you have got to be protected.

That decision went up to the political levels of the Justice Department. The expectation of people at the Center for Disease Control and in the Health and Human Services and at the working level of the Justice Department was that the Justice Department would do something—which I suppose in this administration cannot always be expected—they would follow the law. That is not what happened.

In a memorandum issued from the Office of Legal Counsel, signed by Charles Cooper, the Department of Justice in as intellectually dishonest, cruel, and mendacious an opinion I have ever seen issued from the high levels of the Federal Government, simply stood the law on its head. Not only did they refuse to confirm what everyone expected, that the law prevents discrimination against people with AIDS, they wrote an instruction to bigots on how to discriminate. The Justice Department used its efforts to take the law apart and to instruct employers on how they might get away with discriminating against people with AIDS.

Fortunately, this opinion has already been repudiated by almost everyone with any knowledge in the field. It is unlikely in the end to mean a great deal because the courts will not, I believe, follow the Justice Department's invitation to violate the law, but it has a potentially savage impact, because it is an encouragement to bigotry. It is an encouragement to people to further victimize the victims.

I would like at this point, Mr. Speaker, to include, under the permission I got, some editorials in the RECORD. I want to quote from them briefly.

The Wichita Eagle Beacon, June 25, 1986, headline in the editorial: "AIDS Ruling Makes No Sense."

The Justice Department memorandum on employer treatment of victims of Acquired Immune Deficiency Syndrome (AIDS) is based, at best, on ignorance; at worst, on a blatant desire to subvert U.S. civil rights law.

The New York Times: "A License To Hound AIDS Victims," is the headline in its June 26 editorial.

Error and meanness suffuse the opinion on AIDS last week by Charles J. Cooper, head of the Office of Legal Counsel. His ruling, based on a mistaken reading of medical opinion about transmissibility of the disease, invites people to dismiss people who have it or carry it simply by invoking their fear of the disease being spread. Besides its needless cruelty to victims, the ruling will actually foster the spread of the disease by discouraging people in risk groups from taking the test.

The Seattle Post Intelligence of June 30, 1986:

The Justice Department's decision last week to narrow the rights of AIDS victims against discrimination from employers is a grievous reversal of the Federal Government's long-standing rule as protector of individual civil rights.

The New Republic, July 14 and 21—they took their summer break:

The Justice Department, making a vicious little distinction, has held that federal rules forbidding discrimination against the handicapped don't apply to AIDS victims, provided that employers are motivated by concern about the spread of the disease rather than by prejudice.

The Washington Post: The Washington Post's initial impulse was to be supportive of the decision on June 25. They said it was a thoughtful memorandum on the question of disability, but then they saw the reaction from the Department of Health and Human Services, not in this administration, heretofore thought of as a bastion of thoughtless radicalism, not previously considered to be the last redoubt of the most militant of those opposed to antigay prejudice.

They also, I guess, learned from the AMA how shoddy, and I believe deliberately shoddy, I think this is a case where the Justice Department acted—we have had some alternative quotes—not out of ignorance, but out of a politically motivated desire to mollify the most rightwing elements in its coalition and were prepared to do serious legal violence to the rights of vulnerable people for political purposes, about as unprincipled an action as it seems to me the administration could take; but the AMA repudiated it, too.

So the Washington Post reconsidered and on July 13, it said:

In effect, the memorandum provides a rather explicit set of directions for discriminating against not only AIDS victims, but anybody who might be carrying the disease. The memorandum—

It goes on to say-

makes the further mistake of suggesting heavily that the danger of infection through casual contact is an open question. The same Administration's Department of Health and Human Services quickly pointed out, uneasily, that Justice was not making a medical judgment and was offering no new medical findings.

The AMA, as I said, filing a brief in a case involving tuberculosis, but it

made it very clear—and I ask here to include articles from the Washington Post and the New York Times—the headlines tell the story. Headlines do not always tell stories, and while they tell stories, they are not always the stories that are in the appended articles, but in this case, the headlines are accurate.

The New York Times said:

AMA assails decision of Justice Department on AIDS.

The Washington Post:

AMA opposes Justice Department on AIDS bias.

Because the AMA not only objected to the Justice Department attempting license people to discriminate against people who are ill, we are talking about people who have an illness, who have some form of the illness, who are carrying a virus that may lead to the illness, who are able to work. These are people who have, one would have thought, enough grief and pain in their lives. These are people who may be facing a death sentence. These are people who may be worrying about when the death sentence will be passed, people who are worrying about how to help the ones that they love and who love them to carry on, people who are going to face enormous medical expenses. They are still capable of working, or else this would not have

People who are so ill that they cannot work do not have a claim and no one is arguing that; but people who are in that situation, who are capable of working, they find their Federal Government's Justice Department instructing their employees in a viciously worded opinion, and to also agree with the editorial that said that how to further victimize these victims, fire them.

If you are smart enough and you follow the Justice Department's map, forget the Federal law, forget the fact that they are ill and that they can do the job and you are firing them despite the fact that they can do the job because they are ill. We will tell you how to word it and you will be able to get away with it.

That was too much for the AMA, too much for the medical profession.

The Health and Human Services Department, obviously not happy in having to oppose the Justice Department, headed by one of the President's closest political advisors, but their commitment to the medical facts simply overrode political pressure.

The Los Angeles Times accurately headlines an article, "Health Agency says Justice Department Memo on AIDS Ignores Evidence." The memo does not reflect new scientific or medical information on AIDS transmission.

The article goes on to say:

Apparently angry with the Justice Department's comments on AIDS transmis-

sion, which imply the possibility of a casual spread of the disease, the Health and Human Services Department took the highly unusual action of challenging the statement of another Federal department.

So the general point is very clear. The Justice Department has appalled the medical profession, the Department of Health and Human Services, and a wide range of editorialists by acting in a self-appointed fashion as counsel to bigotry.

I want to continue with particular focus now—it is kind of hard to single out aspects of this opinion in the degree to which I think they appall people who believe in following the law in respect to scientific information that we have and of basic decency.

Probably the central problem which caused a substantial amount of upset with many of those who spoke had to do with the Justice Department's effort to falsify the state of our knowledge about how AIDS are transmitted. You see, the Justice Department has this problem. They admit that it is a violation of the law to fire someone because he or she has been handicapped, and to mollify their rightwing, they have to come up with some reason why they could not say that. The Department of Health and Human Services expected them to say it. The lawyers who work in the Justice Department expected them to say it. This administration, for political reasons, could not bring itself to say that the law is the law and that you cannot fire people who are otherwise able to do the job because they have this tragic illness.

So they pulled apart the decision to discriminate. They kind of factored it out to try to find some piece of bigotry that was legally salvagable. What they said was, "Well, if you can't fire someone because he or she is handicapped, but you can fire that person if you think, he or she is going to spread the illness."

And they said, "You can be wrong about how the illness spreads, but that won't make you legally liable."

In other words, the Justice Department position is, if someone has AIDS and is capable of doing the job, someone has the AIDS-related complex, is fully capable of doing his or her job and there is in fact no danger of that individual transmitting the illness to coworkers or customers or suppliers, but you mistakenly think that they might transmit it, you may fire them because of your own erroneous belief that they may transmit the disease, and that is perfectly OK, according to the Federal Government.

□ 1300

Not only that—remember, we are talking about Federal contractors—you can take money from the Federal Government, you can take money from the Federal Department of

Health and Human Services, which says AIDS is not transmissible by these methods, and you can erroneously decide that it is and fire some individual, who will later face some serious problems, who will later need some money—you can fire that individual, add to the misery and pain that he or she is already going to face, and it is OK as long as you are sufficiently firm in your mistaken belief.

Of course, what the Justice Department has done is written an instruction to people. This is a manual for employers on how to fake it, because the average individual in a situation like that, they know that someone is ill with a disease, they do not understand the disease, and they fire them. The individual employer is not making that kind of, "Well, wait a minute, I am not firing him or her because he or she has AIDS, I am firing that individual because it might be transmitted."

Even the Justice Department recognizes limits to that argument. They consciously say—and it is hard, Mr. Speaker, when you discuss this opinion not to appear to be caricaturing it. I know some of my colleagues who will read what I say or hear it will think that perhaps I am being a little harsh in my description. That is why I read those editorials and that wide range of papers using words like "vicious" and "cruel"

I am not caricaturing it. The Justice Department says to an employer. "Fire the individual because he or she has the illness." And even though the law says that you cannot fire someone because of a handicap, they think, "Oh, yes, you can fire someone who has a handicap as long as you make it clear that it is not the fact that he or she has the handicap alone, but the fact that somebody else might get it from them that you are using as your basis to fire, even if that belief is wrong." So in other words there is no factual basis for firing the individual, but you can still fire them, but they understand that there has got to be at least the theoretical possibility of

Otherwise, under this opinion, you could fire someone in a wheelchair on the grounds that wheelchairs were contagious. That is an argument, by the way, only slightly less plausible than the one that they have made here. If, in fact, people with wheelchairs suddenly became unpopular in certain reaches of the far right, watch out for the Justice Department to claim that this could happen.

They had to argue as they did because medical opinion is overwhelming. We have had siblings living with each other, sharing food, sharing bathrooms, sharing showers, and beds, living with each other the way 6- and 8-year-old siblings do, and they do not give each other AIDS. It has not happened. AIDS happens when someone

is injected, the body is pierced by an instrument which carries the virus, when someone gets blood, or when there are certain kinds of sexual activity, not the normal forms of intercourse in the workplace, at least not work that is able to get legal protection.

So there is no factual basis. But the Justice Department understood that unless it could conjure up some potential factual basis, then a terrible thing would have had to happen. They would have had to say that the law is the law, and that you cannot discriminate against people. In their absolute zeal to give people a chance to discriminate against people with AIDS, they falsify scientific evidence. They may not have falsified it knowingly, but I think that they falsified it, to use lawyers' terms, recklessly; that is, maybe they did not know, but if they did not know, it is because they made every effort not to know.

They did not do any check. They did a terrible thing. They said, and I am reading from page 12 of Mr. Cooper's mendacious memorandum, the Center for Disease Control "concluded in November 1985 that "Itlhe kind of nonsexual person-to-person contact that generally occurs among workers and clients or consumers in the workplace does not pose a risk for transmission of HTLV-III/LAV."

Let me just read that again. The Center for Disease Control, the Federal agency charged with deciding this and dealing with it, says "[t]he kind of nonsexual person-to-person contact that generally occurs among workers and clients or consumers in the workplace does not pose a risk for transmission * * *."

In other words there is no factual basis to these fears. Now here is the poor Justice Department. They have told employers that they can fire these people who are able to work if they make sure that they say-and see, you have the burden of proof if you are the victim of a firing. You have to go to court and prove what is the reason. So this is a very clever piece of lawyering at its worst. This is the kind of lawyerly behavior that led Dick the Butcher in Henry VI, part II, by Shakespeare, to utter that intermittently popular line. After the revolution he says, "The first thing we do, let's kill all the lawyers." This is the kind of lawyering that led people to say that, although I hasten to add that I do not suggest any such extremist measure.

But this is the kind of thing that gives lawyering a bad name, because they come up with a reason why you can discriminate, but they have a problem. The medical profession says, "But that's wrong. AIDS is not going to be transmitted by a salesclerk to somebody else. It is not going to be

transmitted by someone serving food to somebody else. It just doesn't

happen that way."

So they had to try to impeach the evidence. They quote that and then they say, "It has been suggested, however, that conclusions of this character are too sweeping."

"It has been suggested." A semantic point, Mr. Speaker. Watch out for the passive voice when lawyers and politicians speak. When someone says, "It has been suggested," he is not suggesting it; you are not suggesting it; who is suggesting it? It, the atmosphere, the ether is making the suggestion. When people for political reasons want to offer up an opinion that is too stupid, too baseless, too worthless, in the most literal sense, to own up to, "it" is suddenly imported, and "it" suggests this.

Well, even the passive voice was not enough for them. They had to get some evidence. So they quoted a

couple of people.

Now they quote two doctors; two doctors' names are mentioned. They quote a couple of books, but two doctors are mentioned, and only two, in the footnotes that suggest this point,

and I want to be clear here.

They quote the CDC saying that you cannot transmit AIDS in the work-place. They understand what an obstacle that factual statement is to this instruction on how to discriminate, because even they admit that a mistaken opinion which is totally nonsensical cannot be justified. So they say of the CDC statement some people, it—not even some people—it has suggested that it is too sweeping.

They quote two doctors. They quote Dr. William Haseltine, who was recently reported to have declared, "anyone who tells you categorically that AIDS is not contracted by saliva

is not telling you the truth."

And they quote Dr. Myron Essex:

The CDC * * * has been trying to inform the public without overly alarming them * * *. But we outside the Government are freer to speak. The fact is that the dire predictions of those who have cried doom ever since AIDS appeared haven't been far off the mark.

The two medical people who are quoted, the two and only two medical people who are cited as sources for their effects to impeach the CDC, repudiate, angrily and indignantly repudiate the Justice Department's distortion of their remarks.

I spoke on the phone on Friday to Dr. Essex and to Dr. Haseltine. They both thanked me for giving them a chance once again to make it very clear. They agree with the Center for Disease Control. They agree that AIDS is not casually transmissible. And they are appalled by the misuse by the Justice Department of their statements.

In other words, Mr. Cooper understands that he has this real obstacle

even to get across this shaky opinion of his. By the way, even understand the footing of this. The best argument that he has is that it is OK to be wrong when you fire people about transmissibility, but he understands that the error has to be at least plausible

I understand that this may get a little complicated. This is not my complicating mode today, this represents the incredible degree of twisting and churning that the Justice Department is prepared to engage in to avoid the law.

They say "well, OK, we understand," the Justice Department says. "If the CDC is right, we are in trouble. So let us suggest that the CDC is wrong, and let us quote two leading medical researchers, Dr. Myron Essex and Dr. William Haseltine."

Dr. Essex and Dr. Haseltine are angry to be so used, because they do not say that. Dr. Essex's is the obvious one. Let us look at this. "The CDC has been trying to inform the public * * *. We outside the Government are freer to speak. The fact is that the dire predictions of those who have cried doom ever since AIDS appeared haven't been far off the mark."

This is quoted by Mr. Cooper in defense of his effort to impeach the CDC's statement about transmissibility. Dr. Essex makes it very clear that his statement had nothing to do with transmissibility. He was talking about the number of cases. He totally disagrees with the Justice Department and completely agrees with the CDC on transmissibility.

This, Mr. Speaker, is shoddy. For the Justice Department to take a quote from a leading AIDS researcher talking about an underestimate of the number of cases and to pretend that it had to do with transmissibility is intellectual dishonesty of the highest order, not worthy of any lawyer, and certainly an embarrassment when it comes from the Office of Legal Counsel of the Department of Justice.

So in Dr. Essex's case there is no excuse for it. It was simply a reach of an unrelated statement.

In Dr. Haseltine's case there is a little excuse, but not for it continuing. Let me say in fairness that I tried to speak to Mr. Cooper about it today. I called him this morning; he was not able to get back to me. I do not claim that he was avoiding me.

□ 1310

People in the Justice Department have been known to do that from time to time. In the case of Mr. Cooper, I tried to get him this morning. I called about 9:30. He was not able to get back to me as of about 12:30. I probably should have given him more notice. I certainly will be glad if he has any response to this to further discuss it.

I am going to include in the RECORD here as part of my permission a letter from Mr. Cooper to the New York Times, July 9, and an article he put in the Washington Post on July 13.

Let me talk about Dr. Haseltine. Dr. Haseltine made a speech at Harvard and it was reported in the Harvard Crimson. Prof. Alan Dershowitz read the report in the Harvard Crimson and wrote about it in the New York Times. He was quoted as saying what Mr. Cooper said he said. But Dr. Haseltine subsequently called to the attention of the people involved that it was a misquote and on February 24, 1986, Dr. Haseltine wrote to the Harvard Crimson and said, you made a mistake. It is not what I think.

Dr. Haseltine was very clear when I spoke to him on Friday. He telecopied to me today these letters. He was so eager to clear up the false impression the Justice Department has given of his views. He said, "I agree with the CDC. I am not at all supportive of the Justice Department's view that the CDC's conclusions are too sweeping. I think the CDC is exactly right."

He wrote to the Harvard Crimson February 24, 1986, and said, "You have got it wrong. That is not the case. You quoted me wrong."

The Crimson acknowledges and re-

grets its errors, it said.

Some things get better, Mr. Speaker. I have spent more of my life at Harvard than is perhaps good for me or it and I was never able to get the Crimson to admit or acknowledge its error. So Dr. Haseltine is particularly persuasive.

What he said in the letter was that the argument is made that even if documented, such cases would not alter the overwhelming fact the infection is not casually transmitted. Dr. Haseltine then wrote to the New York Times and said the same thing. "Look, you have got this wrong; Mr. Dershowitz has got it wrong."

The New York Times acknowledges that. In its editorial the New York Times points out that Dr. Haseltine's statement quoted in an article on the Times' op-ed page last March by Alan Dershowitz misrepresented Mr. Haseltine's views, as Mr. Dershowitz latter explained in the published later.

In other words, what the Justice Department is able to bring forward in defense of its attack on the CDC's conclusion is a quote that has as much to do with transmissibility as democracy has to do with what goes on in Afghanistan. It was just totally unrelated. They just took a quote by Dr. Essex; they liked what it said, they sliced it, chopped it, cut it, and they put it in there, totally without justification.

Dr. Haseltine did say something they saw in the New York Times in March that they liked. They ignored the fact that Dr. Haseltine had repudiated it; that the man who quoted him repudiated it, that the man who quoted the man who quoted him repudiated it. That is a tough statement. It survived more repudiation than the deaths of Czarist Russia.

They printed it anyway. Dr. Haseltine has written to Mr. Cooper, June 30, 1986, and I have asked that all these documents be put in the RECORD. "Sirs," he says, with more restraint than I thought he could be expected to show, "regarding your memoran-dum reapplication of section 504 * * * remarks attributed to me are cited in summation of arguments relating to the possibility that the AIDS virus may be transmitted by means other than intimate contact. The remarks as cited misrepresent my views. To my knowledge, there is no evidence that transmission of the AIDS virus, other than by intimate sexual contact or exchange of body fluids and/or organs have resulted in infection.

"In my view, what is called casual transmission, such as is likely to occur in workplace settings, will never," underlined by Dr. Haseltine, "never pose a significant risk to uninfected coworkers.

"In this regard, I also bring to your attention that both Mr. Dershowitz—who cited these remarks in the New York Times "op-ed"—and I am on record as stating that the remarks quoted in the Times represent a distortion of my views. I request that you correct this error."

In his letter to the New York Times, Mr. Cooper said, "Well, Haseltine still thinks it is theoretically possible."

On a scientific basis, you do not often say that something is theoretically impossible. This administration is a great supporter of things that might be theoretically possible in the face of all the evidence, as anyone who looks at star wars will understand, but in the face of all the evidence, in all the documentation and all the medical conclusions, the fact that something may be theoretically possible is not usually considered to be a valid reason for discriminating against people. That is what we are left with.

This, in summary, is where we are. The law says that you cannot discriminate against someone who has a handicap if he or she can do the job. The people who are likely to be discriminated against in this case are, at this point, a majority of them, or at least a very large percentage of them, still are gay men.

This administration did not want to appear, for political reasons, to be defending the rights of gay men not to be discriminated against by bigots. So they set out to subvert the law; to ignore the legal interpretation of their working lawyers, and even to distort medical evidence by misquoting the two leading scientific researchers they

could find, and they have no others. You have got to understand that this is a pretty good search. They have a March op-ed piece from the New York Times for Dr. Haseltine. So you understand how carefully they did it.

What happened was that the Justice Department said, "Hey, find me anything you can, anywhere, that a doctor undermines the CDC's conclusion that it is not casually transmissible." They came up with two. One had nothing to do with transmission and the other appeared to have to do with transmission, but had already been repudiated months before. They, of course, never checked with Dr. Haseltine. They did not call him up and say, "Are you doing it." I tried to call Mr. Cooper and I apologize for waiting until this morning, but I think their obligation in putting out that memorandum was to make some effort to contact Dr. Haseltine and Dr. Essex. They were both appalled to be used in this way.

So they say to an employer, "It is OK to fire someone who can do the job because of the fact that he or she has the illness or the complex related to it, as long as you say that you are doing it because you think it is going to infect other people, even if you are wrong." Even at that, that is shaky

In other words, if they were right about transmissibility, they would have a shaky argument. But we go further. They say, "Not only even if you are factually incorrect in the situation, but even if you are simply absolutely off-the-wall in terms of the science, if you have this wholly unjustified unsupported view that flies in the face of all of the evidence that AIDS can be casually transmitted in the workplace, it is OK to fire some individual who can do his or her job and further inflict pain and misery and hardship on that individual and his or her family and friends because we do not want to offend the rightwing politically.

That is what we have here. That is why the American Medical Association and the Department of Health and Human Services and all these editorialists are appalled. Yes; I read some pretty harsh language before, vicious and cruel. We do not often, fortunately, use that kind of language in the United States. Civility is to be prized. But when the Justice Department engages in this kind of vicious, calculated assault on the legal rights of some of the most vulnerable people in our society, people who are twice vulnerable. gay men who are the subject of bigotry in general and then may, because of this illness or the fear that they have this illness, be further victimized, it is intolerable.

Of course, by undermining what the CDC says about transmissibility, what the CDC and the AMA and everybody else, including their own witnesses, Dr. Essex and Dr. Haseltine are the Jus-

tice Department's witnesses in this particular controversy. Their own two witnesses have just repudiated them.

If Perry Mason appeared in a version on television where poor old Ham Berger put two doctors on the stand to argue for something and they repudiated Ham Berger as decisively as Dr. Essex and Dr. Haseltine have repudiated the Justice Department, people would have said, "Hey, guys, a little more believability." Even for Perry Mason in a half hour, that would have been too neat.

□ 1320

So the Justice Department searches far and wide and they find two guys, and they find two guys and they misquote them. It is a terribly, terribly vicious thing they are doing, because the notion that AIDS might be casually transmissible is being manipulated unfairly and illegitimately as a grounds for bigotry in a number of areas, against a range of people among whom are gay men.

For the Justice Department to give aid and comfort to bigots with so little factual basis is an embarrassment. There are legitimate differences of opinion in this society about the role of government. I would have hoped that this would have been considered beyond the bounds of where politics would take you; where you would give aid and comfort to bigotry in so transparent a fashion; because that is what the Justice Department has done.

Of course, this happened at the same time of the Supreme Court's opinion in Hardwork and Powers in an act of moral cowardice and intellectual fogginess on the part of at least a couple of justices. I do not understand how justices, who have been in the majority on a whole series of privacy issues, including the question of abortion and related issues, somehow decide that right does not exist with regard to what people do, mutually consenting in the privacy of their homes; and I suppose Justice Powell had a guilty conscience about that. He wrote one of the least impressive opinions ever to issue from the Supreme Court when he said: Yes, this is a crime; he voted with the majority; but no, no one should ever go to jail for it. He said it would be a violation of the eighth amendment if anybody were ever punished for this thing that he upheld as a crime; and that is a degree of frankly moral cowardice that is unfortunate.

When that came out at the same time as this piece of mendacity from the Justice Department, I think bigots took more heart than they should, and they took more heart than they should because, editorials from Kansas and the States of Washington and California and New York, the AMA, the doctors involved; I am pleased to

see, Mr. Speaker, that decency retains very soon be consigned to the dust an important consistency in America. That newspaper editorialists who have studied the facts, the medical profession itself, have repudiated the Justice Department's invitation to bigotry, and I believe with regard to AIDS that the courts will do the same thing and and we ought to warn employers: Rely at your peril on this instruction in bigotry.

This administration has got the right, as anyone does in this country, to say, what it wants; and they've got the right to put out this opinion which is so lacking in either moral or intellectual worth; but that does not change the law. The law, this Justice Department to the contrary, remains the law. Congress is not going to amend the law to reflect this invitation to bigotry; the courts are not going to back away from it, so employers who follow this do so at their peril; and they ought not to give in to that temptation.

Politicians who attempt to use this as a justification for efforts to discriminate against people with the AIDS virus, gay men in general, other than the risk groups, people who might be tempted to lock up everybody who had a blood transfusion, people who had a history of intravenous drug abuse and may have never kicked that habit. People who seek comfort in this opinion from that order understand how shoddily based it is.

The Department of Health and Human Services, the American Medical Association, and the two medical specialists that the Justice Department singled out have all repudiated

Mr. Speaker, I have never been less happy at the need to take this floor. I, like a lot of Members, think it is great to have the kind of open and wide range of disagreements that we have got in this country. I came back from the Soviet Union a month ago. I missed advertising: If you go to Russia, there is not much advertising in Moscow, and you realize that, as garish as it may be and intrusive as it may be, advertising is a sign of freedom. Because where there is no choice, why advertise? If everybody is going to have to march off somewhere, they do not need much advertising.

I like the kind of freedom to disagree and argue, but I am depressed when, for political purposes, the Justice Department with the approval of the President of the United States stoops on such intellectually shoddy grounds to impose pain on people in this society who are already victims.

Mr. Speaker, I hope that the reaction we have seen from the medical profession, from newspaper people, and from others will be such that this opinion of the Justice Department will heap, where it belongs.

Mr. Cooper is already aware of his problem; he has been unusually defensive about it. He has published letters and articles trying to defend it. The facts remain the facts; that AIDS is not casually transmissible. The law remains the law, that you cannot fire someone if you are taking Federal funds who are otherwise capable of doing the job, and I believe that the effort by the Justice Department to subvert those medical facts and that law will not avail very much.

AIDS AND DISCRIMINATION

Suppose that you are an employer, and you learn that one of your employees is carrying the AIDS virus. Should you fire him to protect other employees' health? The answer to that one is no. No one has ever caught the disease through normal contact in the office, shop or school. But suppose that his presence bothers you and, medical risk or not, you want to get rid of him. There's a federal law prohibiting discrimination against handicapped people. Does it prevent you from firing him? In a memorandum last month the Justice Department argued that it does not.

That memorandum has been met with a great deal of sharp rebuttal, including a column by Charles Krauthammer in this newspaper. On the op-ed page today publish the department's response to Mr. Krauthammer. Earlier, when the memorandum appeared, we commented on the law and the balance it needs to strike. But the Justice Department is asserting a policy that has deeply troubling implications, especially the status that it would provide for irrational fears of the disease and of the people who are infected. That is the point made by Mr. Krauthammer and on Friday. by the American Medical Association in a suit now before the Supreme Court.

The Justice Department holds that, when Congress enacted protection for handicapped people, it did not intend to include those who carry communicable diseases. The law forbids discrimination on a long list of grounds-race, gender, age, handicap and so forth-but, Justice says, infection with AIDS or any other disease is not on the list. Since carriers aren't protected, Justice argues, it doesn't make any difference whether people's fears of contracting the disease by casual contact are rational or irrational. And if it's not illegal to discriminate against genuine carriers, then it's not illegal to discriminate against people only suspected of being carriers.

The courts will be asked sooner or later whether the department's reading of the law is correct. Sooner would be better.

In effect, the memorandum provides a rather explicit set of directions for discriminating against not only AIDS victims but anyone who might be suspected of carrying the disease-homosexuals in general. And perhaps, in addition, people afflicted by diseases other than AIDS. The case now before the Supreme Court involves tuberculosis. How about cancer? Until now, the discrimination statute has protected people suffering from it. The Justice Department thinks that it can distinguish between AIDS and cancer, but its logic is not compelling. An employer could claim that he feared catching an employee's cancer. Remember, Justice says that fear of the disease need not be rational.

The memorandum makes the further mistake of suggesting heavily that the danger of infection through casual contact is an open question. The same administration's Department of Health and Human Services quickly pointed out, uneasily, that Justice was not making a medical judgment and was offering no new medical findings. There are only three known ways to get the disease: sexual intercourse, direct introduction of infected blood into a person's bloodstream, and birth from an infected mother. More than ?2,000 cases have been diagnosed so far, and not one of them has been shown to have been contracted any other way.

[From the New York Times, July 9, 1986] WHAT THE JUSTICE DEPARTMENT REALLY SAID ABOUT AIDS

To the Editor:

"A License to Hound AIDS Victims" (editorial, June 26) seriously misunderstands and miscasts the opinion issued by my office on June 20 on claims of handicap discrimination filed by persons who have the acquired immune deficiency syndrome or carry the AIDS virus.

The opinion, responding to a request for legal advice from the Department of Health and Human Services, construed section 504 of the Rehabilitation Act of 1973, which prohibits discrimination in federally funded programs against qualified handicapped individuals solely by reason of their handicaps. The opinion does not pass on the wisdom, justice or fairness of discrimination against victims or carriers of AIDS. We were not asked to determine social policy in this area, only to determine the meaning of a

That law defines a "handicap" as "a physical or mental impairment which substantially limits one or more . . . major life activities." Analyzing this and the legislative history of section 504, we concluded that the disabling effects of AIDS constitute a "handicap," but that the ability alone to transmit the virus does not.

To be sure, the opinion surveys the curstate of the medical literature on AIDS. But one searches our opinion in vain for the conclusion that AIDS is transmissible through casual contact-or for any conclusion on significant medical and scientific questions regarding AIDS and the AIDS virus. Indeed, the opinion notes the current absence of epidemiological evidence transmission of the AIDS virus through casual contact and quotes the Centers for Disease Control's November 1985 conclusion that casual workplace contact "does not pose a risk for transmission of HTLV-III/

Your ire is no doubt directed at the sentence in our opinion following the C.D.C.'s 'no risk" statement: "It has been suggested, however, that conclusions of this character are too sweeping." In support of this decidedly nonjudgmental point, the opinion cited, inter alia, an Op-Ed article by Prof. Alan Dershowitz (March 18), reporting a comment to this effect by Prof. William Haseltine of Harvard. In a subsequent clarification (letter, April 5). Professor Dershowitz notes, as does our opinion, that "epidemiological data strongly suggest that infection has very rarely, if ever, been casually transmitted in this country." But, contrary to your assertion, the "clarification" reaffirms Dr. Haseltine's view that "it is theoretically possible . . . for AIDS to be transmitted by saliva and casual contact." As lawyers, we are in no position to judge the correctness

of this view, but to ignore it would have been to choose among comparing medical judgments.

Accordingly, decisions grounded on fear of contagion—whether medically justified or not—are not handicap-based and thus not prohibited by a statute that prohibits discrimination on the basis of handicap.

Inexplicably, you conclude that our opinion is premised "on a mistaken reading of medical opinion about transmissibility of the disease." As I repeatedly stressed in a phone conversation with your editorialist, the medical and scientific facts on the communicability of the AIDS virus are irrelevant to our legal analysis.

The key legal question is whether communicability, real or imagined, satisfies the statutory definition of a handicap. The opinion does not purport to make medical or scientific judgments on risks of transmission, we advert to the issue only to note its potential relevance to whether an asserted fear of contagion is a pretext for discrimination based on handicap.

You are somewhat less reluctant than I to issue medical opinions. Your medical judgment that the virus is transmitted only by blood or semen may well be correct; I am certainly in no position to dispute it. But it would have been as improper for the Justice Department to declare that casual transmission is theoretically impossible as to declare that it is theoretically possible. It is simply not a question that this department should properly be taking any position on, even if it was of considerably greater legal consequence than it is.

Our business is to construe the law as written. We encourage and welcome legal scrutiny of our opinion, but such scrutiny will be constructive only if directed at the proper target.

CHARLES J. COOPER,
Assistant Attorney General, Office of
Legal Counsel, Department of Justice.
Washington, June 27, 1986.

Mrs. BURTON of California. I join my colleagues in strong opposition to the Justice Department ruling on AIDS in the workplace.

Medical experts, including the cautious and conservative American Medical Association, have stated that the ruling ignores evidence that AIDS is not transmitted by casual means. The ruling says that this conclusion is "too sweeping", not necessarily accurate. Who suggests that? Not the AMA, not the Centers for Disease Control, not medical researchers, doctors and hospital officials I know in San Francisco.

The ruling, while technically applicable only to Federal agencies and employers receiving Federal funds, will have far-reaching consequences by encouraging all employers to believe they can discriminate against AIDS victims with impunity.

Mr. Speaker, this ruling is not based on medical reality, but on the fears and prejudices that have too often characterized this administration's response to AIDS. The medical profession, the public health community, the gay community and many others are working hard in the fight against AIDS. The administration should start helping, not throwing roadblocks in front of those trying to deal with this international health crisis.

Mrs. BOXER. Mr. Speaker, I thank Representative FRANK for calling this timely special order and I welcome this opportunity for Members of Congress to speak out on the Justice

Department's ill-advised decision on AIDS in the workplace.

By all accounts, the spread of AIDS is the single greatest health hazard facing the United States today. Over 11,000 Americans have died from AIDS and over 1 million people are infected with the HLTV virus.

However, the Justice Department, with its misguided opinion that persons with AIDS can be legally discriminated against in the work-place, threatens to undermine all the efforts to stem this epidemic. This opinion is a slap in the face of the law, the Constitution, the medical profession, and most of all, common sense.

The Justice Department's decision is based on fear, not fact. Every study done by private and public health experts has shown that AIDS cannot be transmitted by casual, non-sexual contact. And yet the Justice Department chose to ignore facts and instead give legitimacy to fear, prejudice and stereotype. Surely we should expect better of the Federal agency that is charged with upholding the civil rights of all Americans.

Significantly, the medical community has not been silent on this issue. The American Medical Association has submitted a brief, in a related Supreme Court case to be heard next year, against the Justice Department's interpretation of the law. And in 1985, the Centers for Disease Control concluded that the type of contact that occurs in the workplace does not pose a risk for contracting AIDS.

When it comes to receiving sound medical advice, I prefer to put my money on the established medical profession, not the Justice Department.

Not only will the Justice Department's decision endanger civil rights—it also will hinder the effort to prevent further AIDS infection. If one can be legally discriminated against in the workplace for having AIDS, who can be expected to step forward and take an HLTV-III test? And without the test, one cannot determine whether one is at risk of spreading the virus

Because a vaccine is still 5 to 7 years away, the only hope we currently have of stopping the spread of AIDS is education and voluntary restraint, The Justice Department ruling is a major setback in this important effort.

The Supreme Court will rule on this question next year through a case regarding tuberculosis in the workplace. I trust the Court will treat this as a health issue, not a political one. In the meantime, I urge my colleagues to do everything we can to see that this legally and morally misguided opinion is overturned.

Mr. STUDDS. Mr. Speaker, I thank my colleague from Massachusetts, Mr. FRANK, for requesting this special order today, for the issue is important and the time to speak out is now.

The Justice Department has determined that Federal law provides little real protection for employees who have AIDS, or who have been exposed to the AIDS virus.

Section 504 of the Rehabilitation Act bars employers from firing individuals solely because of a physical handicap. The Justice Department has correctly held that the disabling effects of the AIDS virus cannot be used as grounds for dismissing an employee still capable of competently performing assigned work.

But it is the opinion of Attorney General Edwin Meese that employers may fire persons exposed to the AIDS virus if they do so because they fear the disease will prove contagious. The practical effect of this decision will be to eliminate any protection for those who have been exposed to AIDS.

The Justice Department position is unfortunately based not on facts, but on superstition. If AIDS could be transmitted as easily as the flu or the common cold, the Justice Department decision could not be challenged. But that is not the case. Medical authorities agree the disease may be transmitted through blood transfusion, the use of contaminated needles in the injection of drugs, and by sexual contact. There have been 22,000 diagnosed cases of AIDS in this country, but in no instance has the disease been contracted through the kind of casual contact typical of the workplace.

The implications of the Justice Department's decision were so serious that the Assistant Secretary of the Department of Health and Human Services felt compelled to issue an immediate response. The Justice Department ruling, he said:

Does not reflect any new scientific or medical evidence on AIDS transmission * * * employees, employers and others can be assured that the AIDS virus is not transmitted by casual contact whether in the workplace or schools.

Mr. Speaker, this decision—if permitted by the Courts to stand—will have a direct and devastating effect on thousands of American citizens. It will deprive persons who are perfectly capable of working of their right to work. It will rob those who actually have AIDS of their right to live a normal life for as long as the disease permits. It will steal from those who have only been exposed to the virus—and who may never contract the disease—their ability to lead an economically productive life. In short, the Federal department charged with administering justice has issued a ruling that is, above all, unjust.

But the harmful effects of this ruling will not be confined solely to those directly affected by employer action. The Attorney General has given his blessing to a policy based not on facts, but on fear. And fear—far more than AIDS—is a contagious disease. The battle against AIDS is not furthered by bullying schoolchildren, firing employees, or shunning the victims. It can be dealt with only if we have the courage to face the facts; and as Mark Twain once said "courage is resistance to fear (and) mastery of fear, not the absence of fear."

AIDS is a terrible and terrifying disease. But like all diseases, it flourishes best in a climate of ignorance. And it can best be attacked by knowledge; knowledge gained through medical research, and through efforts to educate our population.

But in this administration, education is not a high priority; and research is important only if conducted in service to the Pentagon. Only 2 weeks ago, the Public Health Service proposed more than doubling the Federal budget for all activities related to AIDS, including both research and treatment programs. By contrast, President Reagan has proposed a \$20-

million reduction in funding for AIDS programs next year. In making their recommendations, Public Health Service officials admitted that they did not know whether their plans would be supported by the administration. But they say they made the request anyhow, for the simple reason that "AIDS is a major problem and it needs resources."

It is particularly significant that the Public Health Service is requesting a three-fold increase in funding for "risk-reduction" programs. It is absolutely vital that this Nation embark on a major effort to educate those most likely to contract AIDS about the specific risks of the disease. This means education about sexual activity; it means education about drug abuse; above all, it means providing information in a manner that will be understood and accepted not simply by the public at large, but by those at whom it is particularly directed.

The art of communication is this administration's great talent. Whether the product is star wars or the military buildup or a war in Central America, the administration is superb at conveying its views to the American people. The time has come for it to use those talents constructively—to declare war not on the victims of AIDS, but on the deadly disease itself and on the climate of ignorance in which it thrives. And if they were to join this battle, the administration need look no further for its first and most important target than its own Department of Justice.

Mr. WEISS. Mr. Speaker, the June 23 Justice Department opinion allowing discrimination against the victims of AIDS is bad legal advice and is contrary to existing medical evidence.

The Justice Department has allowed the irrational fear of contracting AIDS in the work-place to be used as the sole legal basis for discriminating against persons with AIDS. The Public Health Service has repeatedly endorsed scientific evidence that AIDS is not transmitted by casual contact. By rejecting this scientific evidence, the Justice Department has thus pitted one Federal agency against another.

The Justice Department's statement that conclusions that AIDS cannot be transmitted through casual contact are too sweeping, is a total misrepresentation of current medical facts. A look at the evidence supporting Justice's opinion indicates that it was taken out of context. A Harvard scientist, Dr. William Haseltine, was quoted in the opinion as saying 'anyone who tells you categorically that AIDS is not contracted by saliva is not telling you the truth * * *. There are sure to be cases of proved transmission through casual contact." Haseltine has stated repeatedly that this quotation misrepresented his opinion and that his view on AIDS transmission is similar to that endorsed by PHS.

Furthermore, a footnote quotes an article by John Parry in the Mental and Physical Disability Law Reporter as saying, "Those experts who have attempted to give the public the impression that the medical profession is certain how AIDS is transmitted * * may have gone too far in attempting to quell the public's fears." The citation fails to include the sentence immediately following it in the article which says, "Those individuals who have as-

serted that there are reasonable dangers of exposure in public places have definitely gone too far in the other direction, needlessly stirring up public fears."

A second footnote quotes Harvard research scientist Dr. Myron Essex as saying, "The has been trying to inform the public without overly alarming them * * *. But we outside the Government are freer to speak. The fact is that the dire predictions of those who have cried doom ever since AIDS appeared haven't been far off the mark." However, the New York Times Magazine article from which this quote was drawn, was not addressing the issue of casual transmission. but rather Essex's belief that AIDS can be transmitted through heterosexual contact. But even if these quotes had been honestly used by the Justice Department attorneys, they do not even approach the overwhelming medical evidence endorsed by PHS that AIDS is not transmitted by casual contact.

On July 1, Dr. Walter Dowdle, the PHS AIDS coordinator, testified before the House Subcommittee on Intergovernmental Relations and Human Resources that he is not aware of any new medical evidence which would undermine previous HHS conclusions, and that he knows of no other instance where the Justice Department's interpretation differs so dramatically from the generally accepted medical findings on HHS.

In fact, on June 24, through Dr. Robert Windham, the Assistant Secretary for Health, HHS reaffirmed its previous position on the routes of transmission of AIDS and reinforced the CDC guidelines which state that "the kind of non-sexual person-to-person contact that generally occurs among workers and clients or consumers in the workplace does not pose a risk for transmission of HTLV-III/LAV, the virus thought to cause AIDS." The validity of this statement is continuously being tested in careful studies conducted by CDC of who gets AIDS and who does not-including families of patients and health care workers. So far, there has not been one case where AIDS was clearly transmitted through the casual contacts of daily life. Until there is such a case, there can be no, absolutely no, justification for barring persons with AIDS from jobs, housing, or public places.

The Justice Department's position undermines the efforts Congress has undertaken these last few years to fund educational programs to inform the general public and communities at risk as to how the disease is transmitted, and how to protect against transmission. These programs have succeeded in quelling some of the hysteria that has been caused by lack of available information on a timely basis. Just at the point where we have idenfitied the problems and begun to coordinate our efforts, the Justice Department has now made it much more difficult for such efforts to be effective, because of its deliberate distortion, confusion, and rejection of medical facts and information.

There can be no question that persons with AIDS are disabled within the meaning of the Rehabilitation Act, and thus entitled to the same protection against discrimination afforded other handicapped individuals. Moreover, the opinion not only could allow discrimination against people suffering from AIDS, but could

be used against anyone even suspected of having AIDS, and thus result in further discrimination against gay men. The Department's opinion should be seen for exactly what it is: legal advice based in fear rather than sound evidence, and an illogical, homophobic political statement under the guise of reasoned advice.

On August 6 the Intergovernmental Relations and Human Resources Subcommittee will hold hearings to investigate the Office of Civil Rights of the Department of Health and Human Services. As the Members are aware, the Justice Department opinion on the application of the Rehabilitation Act to persons with AIDS was a direct response to a request from OCR. As part of this hearing the subcommittee will examine OCR's request, the validity of the Justice Department's ruling, and its probable effect on the AIDS community. During the examination, the subcommittee hopes to shed some light on the many serious concerns surrounding this opinion.

GENERAL LEAVE

Mr. FRANK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MY ADVICE TO THE PRIVILEGED ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. Gonzalez] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, it is my intention not to consume the full hour that, through the generosity of unanimous-consent request and the procedures we call special orders, I have been granted.

I rise to point out that what I consider to be and have considered to be for 5½ years a catastrophic course of conduct of this Nation under the leadership of President Reagan with respect to the actions and activities that he has initiated, sponsored covertly and subvertly and directly in those areas south of the border.

Not necessarily restricted to Central America but including our most and nearest and adjacent neighbor, the Republic of Mexico, and clear down through the isthmus and down into South America. Our conduct has simply been one of serious moral lapses in international morality.

Never did I consider the possibility, as late as 6 years ago, that we would have in this country a leader that would advocate a return to the Calvin Coolidge era of 1929. Which, incidentally, was the last filibusterism on the part of our country, with the invasion

by the Marines of the nation of Nicaragua.

We occupied, with the Marines, that country on that occasion for about 13 years within which time we imposed. we trained, selected, and imposed the civil guard or the national guard and the first Somoza despot and with the resulting fact that we maintained and insisted on maintaining one of the most corrupt, despotic, cruel, inhumane regimes in the whole world, not barring Asiatic despotism.

Finally, in 1979, 40 years later, the inevitable. I think the main thing to point out is that President Reagan has turned the hands of the clock back in what I know to be-not conjecture, not guess, but know to be-a fatal error, and one that will be costly in blood and treasure to our country and this generation as well as succeeding generations into the future. Our children, our grandchildren will be having to pay the price and the toll of these mistakes and serious misperceptions grossly, egregiously in error that President Reagan, his advisers, and his administration so far reflect.

We must recall that had it not been for the happy intervention in the post-Coolidge era, of such truly great leaders as President Franklin Roosevelt, who had all of the requirements of a modern, latter 20th century President; that is, the first-ratability to attract and hold and surround himself with first-rate minds, and then orchestrate them in an attack on the common problems confronting our Nation, and to set forth and hold forth the traditional American traditions and virtues, basically revolutionary.

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Instead, as historian Arnold Toynbee in vain tried to point out to us as late as 15 years ago and particularly 20 years ago, we in turn had become the Nation of status quo, the supporter of despotic and oppressive regimes, and we have allowed the Russian Socialist state to be the revolutionary of the 20th century.

We have given up our inheritance for what I am sure historians will write will be a mess, a potage.

The fact that President Reagan mistakenly thinks through his serious misconceptions of what this world we call Latin America in general really is, that he could turn the clock back is so profoundly in error that I just have been in utter amazement when I have seen the congressional lack of perception to forestall and at least offer some debate to what the President has unilaterally acted upon in most occasions.

There is no question in my mind, and history clearly reveals, that no President since Coolidge, no matter how conservative or whatever word we want to use, had ever resorted to these tactics of gunboat or dollar diplomacy

President Reagan ever issued a diplomatic effort to resolve what he considers to be the serious problems that reflect threats to our national interests.

The fact is that the President has been conducting war. He has been conducting war while the Congress has not yet declared war. The fact that he has acted extra or unconstitutionally has not been evident other than in the isolated remarks of the few of us both on this side of the rotunda as well as on the other side, but which in vain these voices have risen to protest the very actions that our colleagues have taken in what we consider to be a repetition of the serious errors that some of us have been privileged to live through as Members of the Congress; to wit: the Vietnam experience and, prior to that, old enough and certainly in full flower of middle age, the Korean conflict.

I think what escapes the general population of our country, the general citizenry, is what exactly our role is considered to be throughout the world, not only in the outer external world across the seas but here in the New World, the countries that destiny and fate dictate will share the future evolvements with our country, Canada to the North, Mexico, and all of the countries to the south. There is not one country-other than a few outand-out client-states which are absolutely dependent upon us for their handouts-they are hooked on, they are actual aid-junkies in the Caribbean-other than those, there is not one country that goes along with our policies.

Canada, for instance, is vigorously putting forth its critical position toward the United States. Mexico, one reason why this administration and particularly through covert action is doing its best to try to pressure the Mexican regime throughout the world is known as destablizing activities, in the hope that it can coerce the Mexican leaders to join the United States in its activities, in its actions against such countries as Nicaragua but not necessarily restricted to that country.

Mexico also, long the proclaimer of the policy of nonintervention, noninterventione, self-determination autodeterminatione, is hardly going to abandon those policies that were born with its revolution in 1910 under any pressure we can exert.

They have been pressured to do some abominable and inhumane things with respect to the thousands of refugees that have fled the genocidal tactics of the Guatemaltecan army that uses 100 percent-there are no Russian or Cuban or Czechoslovakian arms-they are all American bayonets that have been exterminating entire tribes of Indians in the mountains of some of the provinces of Guatemala, and who have in desperation sought

until Ronald Reagan. Not once has haven across the line in the state of Chiapas; 20,000, 30,000 in the period of 1 week, sometimes chased by the Guatemaltecan armies into the Mexican territory.

> And when the Mexican national government tried to set up some relief, our Ambassador and our American State Department immediately protested that, alleging that we had received a complaint from Guatemala that Mexico would be giving refuge to escaping Marxist-Leninists.

> Who were the Marxist-Leninists there? In the words of the Archbishop of Chiapas who told me to my face that these were 6-months, 1-year-old babies, their bellies ripped open with American bayonets by Guatemalan soldiers, those are the Marxist-Leninists that our State Department was talking about. And the Mexican Government caved in because it has been desperately trying to renegotiate loans or, rather, to try to roll over the interest on the loans that will never be paid.

> Now my observation today is this: that we have been found guilty of violating law. The World Court or the International Tribunal for International Justice has found us absolutely guilty of having acted in criminal violation of international law. It has adjudicated against us with a preliminary finding of over \$300 million damage that we should give by way of reparations to Nicaragua for the destruction of its ports and facilities, the mining of its waters, in the words of the court, "without even having the decency to warn international traders and trading ships of the presence of such mines," grossly violative of the law in more than five counts.

> Here we are, throughout the world proclaiming the rule and the doctrine of law and order and acting like a vigilante group, a lynching mob throughout the world.

> At this point I am including in the RECORD a letter I have received from the Ambassador of Nicaragua, Carlos Tunnermann, plus a copy of the operative part of the International Court of Justice's judgment against the United States:

EMBAJADA DE NICARAGUA. Washington, DC, July 3, 1986. Hon. HENRY GONZALEZ, House of Representatives,

Washington, DC.

DEAR REPRESENTATIVE GONZALEZ: The International Court of Justice at the Hague delivered its dictamen on the Government of Nicaragua's case against the United States this past Friday, June 27th. In its decision, the Court ruled by 12 votes to 3 that the United States of America has acted against the Republic of Nicaragua, in breach of its obligation under customary international law not to intervene in the affairs of another State, by training, arming, equipping, financing and supplying the contra forces.

The Court rejected the United States argument of collective self-defense. Furthermore, the Court unanimously called upon both Governments to fulfill their obligation to seek a solution to their disputes by peaceful means in accordance with international

It is important to emphasize that alternatives to a military solution in Central America do exist and require the active support of all parts involved. It is my Government's fervent desire to reach a comprehensive regional agreement that guarantees the security of all the Central American states.

As the conflict in Central America continues to expand and the possibilitles for Peace appear more and more distant, I invite you to review the legal and international aspects of this issue and an enclosing information that I hope will be of interest and assistance in your efforts to further explore and understand the complexities of the region.

If you or members of your staff should have any questions regarding either the recent ruling by the International Court of Justice or my Government's position on Contadora, please feel free to call us.

CARLOS TUNNERMANN,

Ambassador.

OPERATIVE PART OF THE COURT'S JUDGMENT

(1) By eleven votes to four

Decides that in adjudicating the dispute brought before it by the Application filed by the Republic of Nicaragua on 9 April 1984, the Court is required to apply the "multilateral treaty reservation" contained in proviso (c) to the declaration of acceptance of jurisdiction made under Article 36, paragraphs 2, of the Statute of the Court by the Government of the United States of America deposited on 26 August 1946.

In favor: President Singh, Vice-President de Lacharriere; Judges Lachs, Oda, Ago, Schwebel, Sir Robert Jennings, Mbaye, Bedjaoui and Evensen; Judge ad hoc Colliard.

Against: Judges Ruda, Elias, Sette-Camara and Ni

(2) By twelve votes to three, Rejects the justification of collective selfdefense maintained by the United States of America in connection with the military and paramilitary activities in and against Nicaragua the subject of this case;

In favor: President Singh; Vice President de Lacharriere; Judges Lachs, Ruda, Elias, Ago, Sette-Camara, Mbaye, Bedjaoui, Ni and Evensen, Judge ad hoc Colliard.

Against: Judges Oda, Schwebel and Sir Robert Jennings.

(3) By twelve votes to three,

Decides that the United States of America, by training, arming, equipping, financing and supplying the contra forces or otherwise encouraging, supporting and aiding military and paramilitary activities in and against Nicaragua, has acted, against the Republic of Nicaragua, in breach of its obligation under customary international not to intervene in the affairs of another State;

In favor: President Nagendra Singh; Vice President de Lacharriere; Judges Lachs, Ruda, Elias, Ago, Sette-Camara, Mbaye, Bedjaoui, Ni and Evensen, Judge and ad hoc Colliard.

Against: Judges Oda, Schwebel and Sir Robert Jennings.

(4) By twelve votes to three,

Decides that the United States of America, by certain attacks on Nicaraguan territory in 1983-1984, namely attacks on Puerto Sandino on 13 September and 14 October 1983; an attack on Corinto on 10 October 1983; an attack on Potosi Naval Base on 4/5 January 1984; an attack on San Juan del Sur on 7 March 1984; attacks on patrol boats at Puerto Sandino on 28 and 30 March 1984; and an attack on San Juan del Norte on 9 April 1984; and further by those acts of use of force, has acted, against the Republic Nicaragua, in breach of its obligation under customary international law not to use force against another State;

In favor: President Nagendra Singh; Vice President de Lacharriere; Judges Lachs, Ruda, Elias, Ago, Sette-Camara, Mbaye, Bedjaoui, Ni and Evensen, Judge ad hoc Colliard.

Against: Judges Oda, Schwebel and Sir Robert Jennings.

(5) By twelve votes to three,

Decides that the United States of America, by directing or authorizing overflights of Nicaraguan territory, and by the acts imputable to the United States referred to in subparagraph (4) hereof, has acted, against the Republic of Nicaragua, in breach of its obligation under customary international law not to violate the sovereignty of another State;

In favor: President Nagendra Singh; Vice President de Lacharriere; Judges Lachs, Ruda, Elias, Ago, Sette-Camara, Mbaye, Bedjaoui, Ni and Evensen, Judge ad hoc Colliard.

Against: Judges Oda, Schwebel and Sir Robert Jennings.

(6) By twelve votes to three,

Decides that, by laying mines in the internal or territorial waters of the Republic of Nicaragua during the first months of 1984, the United States of America has acted, against the Republic of Nicaragua, in breach of its obligations under customary international law not to use force against another State, not to intervene in its affairs, not to violate its sovereignty and not to interrupt peaceful maritime commerce.

In favor: President Nagendra Singh; Vice President de Lacharriere; Judges Lachs, Ruda, Elias, Ago, Sette-Camara, Mbaye, Bedjaoui, Ni and Evensen, Judge ad hoc Colliard

Against: Judges Oda, Schwebel and Sir Robert Jennings.

(7) By fourteen votes to one.

Decides that, by the acts referred to in subparagraphs (6) hereof, the United States of America has acted, against the Republic of Nicaragua, in breach of its obligations under Article XIX of the Treaty of Friendship, Commerce and Navigation between the United States of America and Republic of Nicaragua signed at Managua on 21 January 1956:

In favor: President Nagendra Singh; Vice President de Lacharriere; Judges Lachs, Ruda, Elias, Ago, Sette-Camara, Mbaye, Bedjaoui, Ni, Evensen, Oda and Sir Robert Jennings; Judge ad hoc Colliard.

Against: Judge Schwebel.

(8) By fourteen votes to one.

Decides that the United States of America, by failing to make known the existence and location of the mines laid by it, referred to in subparagraph (6) hereof, has acted in breach of its obligations under customary international law in this respect:

In favor: President Nagendra Singh; Vice President de Lacharriere; Judges Lachs, Ruda, Elias, Ago, Sette-Camara, Mbaye, Bedjaoui, Ni, Evensen, Schwebel and Sir Robert Jennings; Judge ad hoc Colliard.

Against: Judge Oda. (9) By fourteen votes to one,

Finds that the United States of America, by producing in 1983 a manual entitled "Operaciones sicologicas en guerra de guerrillas", and disseminating it to contra forces has encouraged the commission by them of acts contrary to general principles of hu-manitarian law; but does not find a basis for concluding that any such acts which may have been committed are imputable to the United States of America as acts of the United States of America.

In favor: President Nagendra Singh; Vice President de Lacharriere; Judges Lachs, Ruda, Elias, Ago, Sette-Camara, Mbaye, Bedjaoui, Ni, Evensen, Schwebel and Sir Robert Jennings: Judge ad hoc Colliard.

Against: Judge Oda

(10) By twelve votes to three.

Decides that the United States of America, by the attacks on Nicaraguan territory referred to in subparagraph (4) hereof, and by declaring a general embargo on trade with Nicaragua on 1 May 1985, has committed acts calculated to deprive of its object and purpose the Treaty of Friendship, Commerce and Navigation between the Parties signed at Managua on 21 January 1956;

In favor: President Nagendra Singh; Vice President de Lacharriere; Judges Lachs, Ruda, Elias, Ago, Sette-Camara, Mbaye, Bedjaoui, Ni and Evensen, Judge ad hoc Colliard.

Against: Judges Oda, Schwebel and Sir Robert Jennings.

(11) By twelve votes to three

Decides that the United States, by the attacks on Nicaraguan territory referred to in subparagraph (4) hereof, and by declaring a general embargo on trade with Nicaragua under Article XIX of the Treaty of Friendship, Commerce and Navigation between the Parties signed at Managua on 21 January 1956.

In favor: President, Nagendra Singh; Vice President de Lacharriere; Judges Lachs, Ruda, Elias, Ago, Sette-Camara, Mbaye, Bedjaoui, Ni and Evensen, Judge ad hoc

Against: Judges Oda, Schwebel and Sir Robert Jennings.

(12) By twelve votes to three,

Decides that the United States of America is under a duty immediately to cease and refrain from all such acts as may constitute breaches of the foregoing legal obligations;

In favor: President Nagendra Singh; Vice President de Lacharriere; Judges Lachs, Ruda, Elias, Ago, Sette-Camara, Mbaye, Bedjaoui, Ni and Evensen, Judge ad hoc Colliard.

Against: Judges Oda, Schwebel and Sir Robert Jennings.

(13) By twelve votes to three,

Decides that the United States of America is under an obligation to make reparation to the Republic of Nicaragua for all injury caused to Nicaragua by the breaches of obligations under customary international law enumerated above:

In favor: President Nagendra Singh; Vice President de Lacharriere; Judges Lachs, Ruda, Elias, Ago, Sette-Camara, Mbaye, Bedjaoui, Ni and Evensen, Judge ad hoc

Against: Judges Oda, Schwebel and Sir

Robert Jennings. (14) By fourteen votes to one.

Decides that the United States of America is under an obligation to make reparation to the Republic of Nicaragua for all injury caused to Nicaragua by the breaches of the Treaty of Friendship, Commerce and Navigation between the Parties signed at Managua on 21 January 1956;

In favor: President Nagendra Singh; Vice President de Lacharriere; Judges Lachs, Ruda, Elias, Ago, Sette-Camara, Mbaye, Bedjaoui, Ni, Evensen, Oda and Sir Robert I spoke for 14 months, over the course Jennings; Judge ad hoc Colliard,

Against: Judge Schwebel. (15) By fourteen votes to one,

Decides that the form and amount of such reparation, failing agreement between the Parties, will be settled by the Court, and reserves for this purpose the subsequent procedure in the case;

In favor: President Nagendra Singh; Vice President de Lacharriere; Judges Lachs, Ruda, Elias, Ago, Sette-Camara, Mbaye, Bedjaoui, Ni, Evensen, Oda and Sir Robert Jennings; Judge ad hoc Colliard.

Against: Judge Schwebel.

(16) Unanimously,

Recalls to both Parties their obligation to seek a solution to their disputes by peaceful means in accordance with international law.

I have not met nor have I been in the premise of the Embassy of Nicaragua, nor have I met its Ambassador, Mr. Tunnermann. I assume his letter to me is similar to many other letters he would have addressed to Members of the Congress.

The point is that at no time have our media in the United States ever reported the nature of the decision, much less even a minimal summary of the contents of that decision. I know of no journal, not even the New York Times, that has seen fit to give this kind of information if not to all, certainly a fragment of the American population.

I will read from his letter because I think it is very significant. He says:

The Court rejected the United States argument of collective self-defense. Furthermore, the Court unanimously called upon both Governments to fulfill their obligation to seek a solution to their disputes by peaceful means in accordance with international law.

It is important to emphasize that alternatives to a military solution in Central America do exist and require the active support of all parts involved. It is my Government's fervent desire to reach a comprehensive regional agreement that guarantees the security of all the Central American states.

As the conflict in Central America continues to expand and the possibilities for Peace appear more and more distant, I invite you to review the legal and international aspects of this issue and am enclosing information that I hope will be of interest and assistance in your efforts to further explore and understand the complexities of the region.

If you or members of your staff should have any questions regarding either the recent ruling by the International Court of Justice or my Government's position on Contadora, please feel free to call us.

Respectfully yours,

CARLOS TUNNERMANN,

Ambassador.

Now we also must understand the nature of President Reagan's mindset as revealed by his actions over a period of $5\frac{1}{2}$ years.

For 5 years and since President Reagan's first Secretary of State, Gen. Alexander Haig, I have maintained that President Reagan is dead set on a war course in Central America. Since then two things have happened, plus one, three, that clearly have confirmed what I stated categorically 5 years ago.

I spoke for 14 months, over the course of 14 months, in the well of this House warning my colleagues, appealing to the President with respect to his having dispatched in 1982 over 2,000 marines, combat ready, into Beirut. I happened to have had knowledge that the Joint Chiefs of Staff unanimously were advising against that kind of use of our warriors. It was to no avail.

As a matter of fact, it has been one of the most depressing periods of time for me personally because on the Thursday in October preceding the Sunday massacre of 240 marines, I rose as the Members were leaving for that week and warned that those marines were under the shadow of death. I addressed to the President my remarks to the effect that, while he was retiring to the safety and comfort and luxury of a feast at the supper table that night, that he give thought to those marines because they under the shadow of death. Sure enough, that following Sunday they

What we must never forget is that, when public indignation was beginning to jell, the President ordered the invasion of Grenada, again violating three of the most serious and solemn treaties we have entered into, not only internationally throughout the world but particularly in our New World: in violation of the Rio Treaty, the understanding of Punta del Este, our understanding in the treaty that formed the Organization of American States. But our people as always will, in and out of the Congress, respond to the Commander in Chief when there appears to be an emergency. But I think the American people will go down the way of other cultures and societies who rose to great heights, some of them democracies like the original Roman republic, and then the one or two Greek republics, when the people became corrupted in their ways of freedom, in the practices of democracy and succumb to omnipotent leaders, and that is what Mr. Reagan is today.

□ 1345

He is omnipotent. He has bombed in order to seek personal vengeance from one individual who had antagonized him, to wit Qadhafi in Libya, and then cynically says we did not bomb with intentions of killing anybody.

I would like to submit for the RECORD at this point a report in the Nation magazine for July 5 through July 12, 1986, an article by a distinguished fellow Texan, the son of a great friend of mine, Justice Tom Clark, his son Ramsey Clark, the Attorney General under the regime of President Johnson, who was in Tripoli, who was in Libya, and reported in an article entitled "Libyan Epilogue." It appears to be to me a terrible condemnation and impeachment of President

Reagan, and every one of us who may have remained silent.

The article follows:

LIBYAN EPILOGUE

Ronald Reagan understands the uses of terrorism. The air strike he ordered aginst Libya demonstrates that far more powerfully than press accounts available to Americans revealed. A short trip I made to Tripoli last month leaves no question about the purpose of the bombing.

There were three main targets in the Tripoli area. The first was Colonel Qaddafi. In the large compound where he lives while in the capital, and where he was the night of the bombing, two multition bombs shattered the wing of the building in which he had an office and often worked late at night. Two bombs struck the field where a tent in which he often slept was pitched, collapsing it. Two bombs gutted the large house in which his family lived. These were the three locations where Qaddafi could reasonably be expected to be at 2 A.M., the time the U.S. planes first struck. No other areas within the several-hundred-acre compound were hit by the big bombs. The bombs were intended to kill Qaddafi and show the Libyan people the omnipotence of the U.S. military.

The second target was a congested, densely populated, albeit well-to-do residential section of Tripoli. Big bombs destroyed homes in at least six places. An entire family of seven was killed instantly by a direct hit on their apartment. A 29-year-old father of three was killed when he went to a window to see what was happening. His wife and children were injured. A Greek citizen's home was destroyed and his family injured. An 18-year-old Lebanese woman, on a brief holiday from school in England, was killed. The home of a longtime employee of an American oil company was hit, causing one death in the family.

There are various estimates of the total number of dead and injured. Hospitals in Austria, Italy and Switzerland are treating scores of survivors who lost arms, legs and eyes, and sustained the other injuries modern conventional bombs are capable of inflicting; Libyan hospitals are overflowing. The French Embassy stands completely empty, its rear exterior wall demolished and its interior destroyed by a bomb which leveled the home immediately adjacent to it. The bombs were presumably intended to show Libyans with power that the United States will kill them, too—that no place is safe.

The third target was a naval training school about twenty-five miles west of Tripoli. There were casualties and extensive damage to buildings. Two West German professors who taught at the school have stated they knew of no secret naval weapons or military planning there. These bombs were intended to warn Libyan naval personnel to stay away from the Sixth Fleet—that the United States has the capacity to crush all enemies.

Panic in the aftermath of the bombings also took lives. One fiery crash of two automobiles crammed with people fleeing south to the desert killed seven, according to two horribly burned survivors I met at a hospital in Vienna. A man whose daughter was killed and who himself was apparently saved by a door that blew open and kept the ceiling from falling on him lost thirty-five pounds and is going to Europe for therapy. Parents talk of children who scream in the night; husbands, of wives who are unable to

sleep. No one I spoke with had expected the United States to bomb Libya.

The sudden and unexpected attack terrorized the people because they had not experienced anything like it since World War II. Their shock, grief and anger are profound. Many older people were stunned that the United States, of all countries, would bomb them. On walls and billboards are posters and signs condemning the United States. Many young people told me they hate America because of the bombing. A boy of 6 who saw his father die in his home said he would kill Reagan when he grew up. As I left Tripoli for the airport on June 18, the streets were jammed with automobiles, trucks, buses, motorcycles, bikes and pedestrians on their way to a rally Qaddafi was supposed to address.

The day before, I spoke with Qaddafi, who had just returned to Tripoli. A reception room on the far side of the building that contained his old office had been repaired since the bombing. Like his home, his office remained in ruins. The field where his tent had stood was empty. There were two large sandy spots where the bomb craters had been filled. He spoke calmly and quietly but with deep anger. He said he never believed a civilized nation, a superpower, would attack foreign leader and his people as the United States had done. He expressed shock that such a bombing would have been directed at a residential area. His words for Reagan, as translated into English, were virtually the same words we have heard the President use when speaking of Qaddafi. He emphasized Reagan's violent nature, America's immature culture, its uncivilized, barbaric character. History will decide whose appraisal is more nearly right.

Reagan's raid, called a surgical strike, killed at least twice as many Libyans in one night as all Americans killed by terrorists worldwide in 1985. The President seems to be proud of what he ordered and of the "heroes" who carried it out. His one-liners are vintage Hollywood: "We didn't aim to kill anybody." He should tell that to a

Unless it is lawful for the President to use military bombers in an attempt to assassinate a foreign leader and to kill and multilate scores of human beings sleeping innocently in their homes thousands of miles and many days from any claimed act of provocation, of which they probably were never aware, then Ronald Reagan must be impeached and tried for high crimes and misdemeanors. It will be interesting to see whether the elected representatives of the American people, all of whom will proclaim the virtues of our Constitution during its bicentennial year, will dare to do their duty.—Ramsey Clark.

(Ramsey Clark, former Attorney General of the United States, was in Libya for The Nation and at the request of families of victims of the bombing.)

I want to say that I certainly have not. After the invasion of Granada, I joined six Members and we introduced into the Record a bill of impeachment in which we set forth specifics.

After the bombing of Libya, I thought the matter over and came conclusively of the opinion that the President had violated, if not other international law, certainly the Wars Powers Limitation Act of 1974.

So I introduced exactly a week ago two resolutions, one of them directed to the fact that the President in effect was in gross violation of the War Powers Limitation Act. I for one was introducing a resolution, a House concurrent resolution, exactly a week ago last Monday.

The other accompanying resolution, also a House concurrent resolution, has to do with anticipatory prevention of the further violation by the President of the War Powers Limitation Act in Central America, specifically Nicaragua

In 1983 and 1984 I introduced and reintroduced a resolution alleging that the President had violated the War Powers Limitation Act with respect to the actions he has taken in the state of El Salvador. He continues to. The American people simply do not know what is being done in the name of the American people that condemns them before the eyes of world opinion, in the minds and the hearts of hundreds of thousands of subjugated people who live south of the border.

But what I am saying today is, woe to the day of reckoning. What is happening now and has been, in my opinion, in extremist case is now not even 800 miles away. It is just next to the border of the Republic of Mexico. What is building up now is such a potential explosion with none of our leaders in this country taking cognizance other than in the other body, hearings in which rather libelous or slanderous statements have been made about individual leaders such as President de la Madrid of Mexico, as well as some in the Republic of Panama, and actually revealing what I have stated categorically. Our Government. through the CIA, there have been efforts to pressure the Republic of Mexico's Government through destabilization actions.

For instance, in the elections that were held in Mexico in early 1985, there was no question about it. In some of those states there were attempts made through United States money, through our CIA, to try to hotfoot, so to speak, the President of Mexico. Those efforts stupidly continue to this day under the mistaken notion that the right-wing element in Mexico that has drained Mexico of its financial resources by flight capital that has been leaving Mexico at the rate of billions of dollars a year since early 1982.

I will remind you that if you look at the Record, in 1982, I took the well of the House, took a special order and pointed out that there was for some unreason on the record a large volume of flight capital coming into south Texas and other ports and to secret accounts in Switzerland, and that the rumors I had from Mexico were that the rich elements in Mexico were expecting a devaluation of the Mexican peso.

Well, it did not happen by June and it did not happen by July, so there was a lot of complacency on this side of the border. But suddenly, with a big bang, we had the bottom drop out in September 1982.

What has our country done since then other than to have Chairman Volcker of the Federal Reserve Board, were it because of this tremendous overhang of debt, that the nine biggest banks in the United States foolishly, irresponsibly, negligently, almost criminally so have allowed to happen, not only with respect to Mexico, but a host of other developing countries? Mexico is not considered to be a developing country. It is supposed to be advanced. But that is all relative.

The truth of the matter is that there is a dire threat that our entire financial system is teetering on the brink if there should be an actual default, which is what the Mexican officials have threatened our top-flight officials on two occasions, the first in September 1982, and the second just about a month ago. In each case, what has happened is that our Treasury has found a way to let Mexico have a few billion dollars in order to pay the interest, roll over the interest. Not a penny has been paid on the principal. Let me predict that not one penny will ever be paid. These countries are incapable of meeting the payments unless we have an entire reconsideration of this debt structure.

But in the meanwhile, what is happening in these countries socially? You are beginning to develop in Mexico all of the same potential, except Mexico, as I say, relatively, happily is more advanced than some of the submerged economies such as El Salvador and Honduras and the others. Honduras, of course, is an invaded captive country. We have invaded and continued to hold in possession the Republic of Honduras. Let there be no mistake about it. I know that some of my colleagues cringe when I say this, but that is the truth. This is what everybody else perceives outside of the United States.

□ 1355

This is what everybody knows, and everything I have said here today is known throughout all Latin America. The only ones that do not seem to know about it are us, the American general public and the majority of the Congressmen.

I say to you that this time, my companeros, Mexico nor much less Nicaragua is going to be a Grenada. It is going to be something that is going to cost us very high in blood and treasure as I say. All of it entirely unnecessary.

Let me propound a question rhetorically: If our leaders in and out of the Congress, in and out of the White House, in the fifties and sixties, had had the correct perception of that world we call Southeast Asia, would

we have lost 58,000 Americans and untold billions of treasure and gold? I do not think so.

The same thing is happening now with all of this that is reflected in the case of Nicaragua. What is the fight all about? What is it that we are seeking? The President tells us at one time that all he wants to do is make those Sandinistas cry "uncle."

Second, that all he wants to do at other times is to exert constant pressure. Then at other times he solicits among private citizens to actually violate American law; title XVIII, section 956, that prohibits us, any American from aiding, alone or in conspiracy, in the destruction of property or personnel of a friendly government, one with

whom we are at peace.

Nicaragua fully fits that definition. We have an Ambassador in Managua attesting to the world that we consider that the legitimate government. That we recognize it by having a duly empowered representative of the American people there whose credentials are in turn accepted by the Nicaraguan Government. All the time the President, off and on says, "We have got to do them in.'

Now, he at times will say, "No, we do not intend to invade. We are not going to use American soldiers." But he was not even waiting until the action of the House last month in approving about \$70-million plus in direct military help to the so-called Contras who are not in Nicaragua; they are hiding out in the neighboring country that we are occupying and controlling from

stem to stern in Honduras.

What is our purpose? What was our purpose in Vietnam? What were the perceptions of our leaders? I remember because I agonized all during that period of time. I had a next door neighbor who happened to be President of the United States. It was excruciating to get on the floor at times and sound as if I was being critical and I tried to handle it as responsibly and as knowledgeably as I knew how under the circumstances. So I was advancing two basic premises that I thought would add light rather than shout.

One. I was the one that introduced the Senator Ernest Gruening resolution that he had introduced in the Senate. I introduced it in the House and obtained 72 cosponsors. All it said was, "Mr. President, withdraw unilaterally from Vietnam, and if you must, then proceed through the aegis of the

United Nations."

For that I had several of President Johnson's aides very upset with me. The President had his feelings hurt for a while, but I did it and got on the record and stated why. Then the other one that I had to pursue alone, both in the House and the Senate, and it was a conviction I had long before I ever thought I would come to the Congress, and that was that it is against the precedents, that it is against the historical basis of American nationhood, that it is against the Constitution for a President to conscript an unwilling American and send him to fight in an undeclared war outside of territorial United States, I still maintain that.

I got up on two occassions in the sixties and in 1971. When the Draft Act was brought up for extension in 1967. I took the floor; I could not even get 13 Members to get up in order to get a vote on an amendment that I offered proclaiming that basic principle which I did not think needed proclaiming because it was an integral part of the first peacetime Draft Act in 1941.

In fact, in 1941 it carried by one vote only after that proviso had been inserted into the legislation. So all I thought I was doing was just remind-ing Presidents and Congresses that that is the law and that we ought to

serve it.

Then, in 1971, to show you how moods can change as I know, inevitably, it will change but I am afraid by that time we will have lost lives unnecessarily in Central America, and we will have antogonized openly every single area in that region in which we will be fore-dooming our generations to come into a bitter and everlasting enmity toward our people and continual and sustained guerrilla war against those of our troops that will have to occupy Nicaragua. The Contras will never be able, and even if they were to knock out the Sandinista government, they never will be able to govern Nicaragua any more than the Cuban invaders in the Bay of Pigs in 1961 had they succeeded in subjugating the Castro forces would ever have been able to govern Cuba. The only way would be for the United States to go in, take over and sit in that country.

Let me say: It will not be like 1929, my companeros in the Congress. It is another game, another world and another set of minds down there. Never again will we be able to uphold the oppressors and the tyrants, in turn subjugating those 250, 300 million now, of oppressed people. They know that they do not have to, and they are not

going to.

Look at the folly of what we have done in El Salvador and do even now as I am speaking. We talk about the Russians and their tactics in Afghanistan. Let me say, my colleagues: Morally and culpably we are no better. We are hypocritical pharisees. For we are exterminating entire families; grandfathers, grandmothers, grandchildren with our bombs, with our night vision equipped killer helicopters.

Let me say to you that we are no farther, we are no closer to a resolution in the small country, that is El Salvador, after \$4 billion, about 17 of our armed services personnel who have died, some reported, some not, and 51/2 years we are no closer to any resolution in that smallest country. Surely that is proof positive that something is wrong and that we are bankrupt in the Reaganomics of the policies the President has espoused, despite the World Court dictum.

Mr. Speaker, I offer for the RECORD at this point a Washington Post article for Friday, July 18, on page A24, enti-"Sandinastas Say U.S. Intelligence Overflights Are Frequent." There is a potential for danger.

SANDINISTAS SAY U.S. INTELLIGENCE OVERFLIGHTS ARE FREQUENT

(By Julia Preston)

Managua, Nicaragua, July 17 .- The top Sandinista military intelligence officer charged today that the United States has flown 121 spy flights this year over Nicara-gua to glean information "like a vacuum cleaner" for the counterrevolutionary rebels known as contras.

Capt. Ricardo Wheelock, intelligence chief of the Sandinista Popular Army, said the spy planes gather electronic and photographic information providing the United States with "a complete X-ray every day" of the positions of Sandinista troops.

[In Washington, a Pentagon spokesman declined to comment on the statements 1

A bill to provide \$100 million in aid for the contras, approved by the House of Representatives in June, greatly expands the mandate for the CIA and other U.S. intelligence agencies to assist the contras with sophisticated communications as well as training and tactical advice. It is expected to pass the Senate easily.

Wheelock said the aerial data-gathering is "the most important element, from our point of view" in U.S. operational support

for the contras.

Wheelock said an RC135 had made 47 flights this year, monitoring telephone, radio and telex communications inside Nicaragua and overseas. Another aircraft, which Wheelock called a "U2 or TR1," made 13 flights, he asserted, snapping photos and making other electronic maps of airports, harbors and military installations. He said a U2 flew over Nicaragua today.

[The U.S. Air Force maintains both RC135 and TR1 reconnaissance planes. The TR1 is a modernized version of the U2.1

The officer said some of the flights have come within shooting range of Sandinista artillery but have never been fired on.

"We know what it would mean for us if we

respond to a provocation," Wheelock said.
Wheelock said the United States also maintains at least three, and at times as many as 11, ships off Nicaragua's Pacific Coast to watch movements at the country's ports and airports. Normally, he said, the vessels include a "rocket-mounted frigate," a "high-resistance Coast Guard cruiser" and an intelligence vessel, the ARL24, based in the Panama Canal Zone.

In addition, the Sandinista commander alleged that aircraft supporting the contras had flown 152 missions from neighboring Honduras over Nicaraguan war zones this year, dropping supplies and "making tactical explorations." He charged that some planes belonged to the Hondurar Air Force.
Wheelock said that Sandinista intelli-

gence had detected 161 flights originating in

Costa Rica

Meanwhile, President Daniel Ortega Saavedra today inaugurated a Soviet bloc earth station allowing Nicaragua to become part of the Soviet system of satellite communications, known as Intersputnik.

Wheelock did not say how the Sandinista government obtained the information about the spy flights. In the past year, the government has rapidly been completing an advanced East Bloc radar system for nationwide military communications, western diplomats here have said

In a departure from customary practice, Wheelock also said 116 Sandinista Army soldiers have been killed this year in combat with contra guerrillas. He asserted that the contras killed 123 unarmed civilians. Government forces, he said, have killed 2,919 contras since January. The government rarely specifies its losses.

Mr. Speaker, I close this out by saying that I am afraid that we are going to have too learn by bitter experience the truth of the words of this very popular Canadian singer from Ottawa, Bruce Cockburn, who has been there and been to the United States.

He says: "One day you are going to raise from your habitual feast to find yourself staring down the throat of the beast they call the revolution.'

□ 1405

TIME FOR EUROPE TO ASSUME THE PRIMARY RE-SPONSIBILITY OF THE FENSE OF WESTERN EUROPE

The SPEAKER pro tempore [Mr. FASCELL]. Under a previous order of the House, the gentleman from Nebraska [Mr. Bereuter] is recognized for 60 minutes.

Mr. BEREUTER. Mr. Speaker, on June 20-23, 1986, Members of the U.S. House of Representatives met with members of the European Parliament at Santa Fe, NM, at their 27th semiannual interparliamentary meeting. In preparation for my presentation at that meeting this Member of Congress focused on relevant events that had occurred since the January 1986 meeting in Dublin, Ireland, where the most controversial subject was certainly American-European actions and views of political state-sponsored terrorism. Quite naturally then this Member's attention was riveted on the subsequent United States bomb raid on Libya and especially on the very different reactions of opposite sides of the Atlantic to that raid. Explaining those markedly different perceptions eventually led this Member to give renewed thought to the American-European relationship within the context of the North Atlantic alliance.

In examining these differing reactions two conclusions are apparent to me. First, despite the many ties which bind us, we often see things very differently, largely because of differing perspectives. Each side of the Atlantic would do well, I think, to keep the other's perspective and attitudes in mind as we determine policy. The risk of divisiveness, unfortunate fractures

hanced if we do not.

A major explanation for these differing perceptions is our differing roles, the United States as a global power and the Europeans, as in matters of defense, concerned primarily with a regional defense in Europe. And this leads to the second conclusion, which is that allied relief of some of our defense burdens in Europe will leave the United States better positioned to meet other global challenges. Although the debate is usually framed in terms of "burden-sharing," I might prefer to use the term "burden-relief."

Let me make clear that there is as seen by this Member of Congress, absolutely no direct, causal relationship between the generally apparent unwillingness or our European allies to support our action in Libya and this call for a reduction of American financial support and troops for the defense of Western Europe. Such a reaction would not be justified. Rather, I think Europe's obligation to do more grows out of two basic facts. The first, and more important point, in my opinion, is that Europe undoubtedly has the financial ability to contribute more in its own defense. The second point is that, should unforeseen contingencies arise, the United States needs greater freedom to deploy its power where it will do the most good. Our ability to do this is currently constrained by the continued commitment of substantial numbers of our troops and amounts of our resources to the defense of Western Europe. I should perhaps interject at this point that I emphatically do not believe nor recommend, that we are about to embark on a new ERA of Third World interventionism. For starters, public support for such a policy is clearly lacking. I am simply making the case for maximum flexibil-

ALLIES GO THEIR OWN WAY

My original intention, at the Santa Fe session of our interparliamentary exchange had been to discuss terrorism, and specifically the means we might jointly employ to combat it. It does appear, following the American bomb raid on Libya and the Tokyo Summit, that we are making progress toward the goal of greater Western cooperation in combating terrorism. But in thinking about the raid on Libya immediately afterward, this Member of Congress was stuck by how differently we on opposite sides of the Atlantic viewed the operation. Americans everywhere had assumed that the leadership of the free world would be almost 100 percent supportive of our actions against the Libyan dictator. Yet, in the aftermath of the raid, it is clear that there not only was no consensus, there was sharp disagreement.

In remarks on the House floor shortly after the raid on Libya, I noted that few major foreign policy issues of

in the alliance, and rash action is en- recent times had been so lacking in controversy here. The large majority of the American people, it is certifiable, supported the President's actions-enthusiastically. The majority reaction in Europe, again with few exceptions, was just the opposite. The governmental leadership and people there appear to have generally and strongly expressed the sentiment that the action was unwise. Prime Minister Thatcher's support has been well documented and is much appreciated in the United States. According to polls I have seen, a majority of the French people supported the raid. Mostly among Europeans, however, we heard and saw strong reaction against the U.S. action

The reaction in this country to Europe's condemnation of our action against Libya was one of stunned disbelief, of being let down by our allies, and finally of anger and bitterness. What is the point, some Americans asked, of having allies if you cannot count on them when the chips are down? How is it that our oldest ally, France, could deny us permission of overflight? The technical response to those questions is that NATO is devoted to the defense of the North Atlantic region, an area which clearly excludes Libya. The more difficult question raised by this episode is: If we cannot agree on an appropriate response to such a clear-cut case of state-sponsored terrorism as that carried out by Libya, upon what can we agree?

One conclusion I reach is that given the circumstances of an economically prosperous Western Europe and the U.S. global security responsibilities, continued deployment of U.S. forces at current levels in Western Europe is probably not the most efficient use of our personnel, equipment, or financial resources. I believe that Europe can do more toward its own defense and that we can better handle our global responsibilities by positioning elsewhere-most likely in the United States-some of the troops now in Europe. Writing about this problem in a Los Angeles Times Syndicate article dated May 13, 1986, former Secretary of State Henry Kissinger observed that:

A major portion of America's armed forces is tied up where governments will permit its use only against the least likely threat, an all-out Soviet attack on the central [European] front.

Even if one disagrees with Dr. Kissinger that the direct Soviet threat against Western Europe is the "least likely threat" and instead characterizes it as "merely unlikely," his logic is forceful.

I would emphasize that I do not raise questions about the NATO relationship out of a sense of grievance that the United States has somehow

been shortchanged. The alliance has served Europe very well, but it has also served us well. If it has been costly for us, and it has, by and large we have been able to afford it. I am not one of those who seeks to use our level of expenditures and troop commitments as leverage, threatening to withdraw them unless Europe devotes more of its resources to defense but keeping them there if they do. Europe should do more because it has an obligation to do so, and because that is in the interest of European countries individually and collectively. Greater European contributions to defense readiness should be seen in the context of permitting the development of forces where they are most needed, not as a guid pro guo for keeping the current level of American commitments in Europe. What has worked for the past nearly four decades may not be appropriate now and almost certainly will not be appropriate or possible over the next four decades, at least not without substantial modifica-

FORTY YEARS IS LONG ENOUGH: EUROPE CAN AND SHOULD DO MORE

Whether it is expressed as Europe doing too little or America too much, this is the familiar burden-sharing argument or complaint which Europeans have grown accustomed to hearing from this side of the Atlantic. Recently some influential American policymakers have suggested the use of our level of commitment to NATO as a club over the heads of our European allies. Most recently I have even heard threatening that Americans the United States will bring home the troops if the European Community does not lessen its trade surplus with the United States

From a European perspective, our complaints on occasion must at least appear unreasonable and perhaps even shortsighted. But a fairminded European would also have to agree that the American perspective on burdensharing is, in many respects, quite understandable

In 1951, Dwight Eisenhower saw American aid for NATO as essential, but he said, "If in 10 years, all American troops stationed in Europe for national defense purposes have not been returned to the United States, then this whole project will have failed." Yet more than four decades after the Second World War, the United States maintains over 300,000 troops in Europe as a contribution to NATO's defense against the Warsaw Pact. These forces play a number of key roles in NATO's deterrence and defense posture. They make a substantial contribution to NATO's forces available to counter the initial stages of a Warsaw Pact attack. They also serve as the foundation on which additional U.S. forces would build in wartime as reinforcing U.S. units and weapons systems arrive in Europe. And perhaps most importantly, this substantial U.S. presence symbolizes the U.S. commitment to the defense of Europe, backed by the awesome potential of the U.S. strategic nuclear arsenal

By almost any quantitative measure, the United States devotes far more resources to defense than do its allies. In fact, the United States spends more on defense than all the European allies combined. Viewed another way, the United States has been devoting in excess of 6.5 percent of its gross domestic product to defense, whereas the Europeans, on average, have been spending only around 3.8 percent of their gross domestic product [GDP] to defend themselves. In 1985, the United States spent over \$266.6 billion on defense, of which at least half could be said to be NATO-related expenditures. The West European allies, as a group, spent just \$83.5 billion.

Perhaps most frustrating to Americans is the fact that this situation shows little sign of changing soon. The Department of Defense has recently reported that the average real growth in defense spending for all other NATO nations in 1986 will likely be the lowest in 9 years, somewhere between zero and three-tenths of 1 percent growth above inflation. Granted. the dramatic surge in U.S. defense spending of the last several years is slowing down. But if European defense efforts are also cut back, the balance between United States and European efforts will remain static. In fact, an analysis last year by the Congressional Budget Office concluded that, "Over time, the United States share of the burden has been increasing, while the allies' share has decreased, relative to their ability to contribute."

I would be the first to agree with those who suggest that it is difficult, if not impossible, to calculate just how much of our defense spending could actually be said to be spent on NATO's behalf. While I said that half of our 1985 defense expenditures could be said to be NATO-related, I readily concede that I have seen much lower estimates as well. It depends on the definition of NATO's interests vis-a-vis those of the United States and how you separate them. Some would observe that they are inseparable. My point is, however, that even with the lower estimates, Europe does not appear to be doing its share.

On the question of Europe's contribution, Dr. Kissinger put it very well in the article to which I referred earlier. He said: "It is unnatural for a continent [actually one-half a continent] with a population larger than that of the Soviet Union and a combined gross national product 11/2 times greater

than it, to rely for so much of its defense on a distant ally." I agree. The conditions prevailing when NATO was formed-a United States vastly more powerful and more wealthy than any other nation and, on the other hand, an impoverished war-ravaged Europehave long since changed.

Looked at from either-side of the Atlantic, the relationship is indeed unnatural. Yes, repeating it is an unnatural condition. It stretches the resources of the United States. It faces the United States with risks well beyond those inherent in the defense of the United States itself. The nuclear guarantee in particular exposes the United States to nuclear confrontation with the Soviet Union for the sake of

Western Europe's security.

Europeans have grown comfortable with the American contribution to the alliance-perhaps too comfortable. I am concerned that, over time, the continued reliance of Western Europe on such a disproportionate American contribution will erode the political foundations of support for the alliance and for self-defense. We have offered the nuclear guarantee to Western Europe out of a conviction that our own security is inextricably bound to Europe's. If the feeling in America persists and grows that Europe is not pulling its own weight, that conviction will weaken.

GLOBAL VERSUS REGIONAL DEFENSE COMMITMENTS

Implicit in what I am proposing is the clear recognition that the United States cannot do everthing, that we run the risk of being unable to meet all of our global commitments unless we are at least partially relieved of some of them. We need to maximize the return on our defense investment. Here is where I think the debate is influenced most profoundly by the different status of the Atlantic partners. The United States is a global power, facing security challenges throughout the world. Our European allies, on the other hand, are largely concerned with regional defense. Moreover, as Europe's ability to influence global events by means of military power declined. European policies for power projection increasingly emphasized political and economic means.

In a complete reversal of policy in effect at the time of NATO's birth, when the United States was determined not to be dragged into lingering colonial disputes and insisted that Atlantic Treaty obligations were valid only in Europe, today it is Europe which increasingly refuses to undertake treaty obligations with the Third World. This moved Dr. Kissinger to observe that, "When Europe disassociates itself from the United States today, it challenges a concept of global defense, and therefore, indirectly, the psychological basis of America's commitment even to the defense

DIFFERING PERCEPTIONS BETWEEN AMERICANS
AND WEST EUROPEANS

It is not only the roles of Europe and America which are different. The Atlantic partners also have differing perspectives-sometimes sharply differing-of the threat to their security, of what to do about that threat, and differing perspectives about each other. Americans often accuse Europeans of not doing all that they could to ensure a proper defense against the Soviet threat-and here I hasten to interject that even if it can rationally be concluded that a direct, military attack on Western Europe by the Soviet Union is unlikely, it is nevertheless such an awesome threat that we cannot but take it seriously. Americans are unable to fathom that Europe, so much nearer the Soviet threat, seems at times almost oblivious to it.

Proximity to Soviet power appears to have led Europe in the other direction, of being less concerned with arms and more concerned with arms control. Perhaps this is because when we Americans speak in the abstract about the "European Theater," for Europeans that means home. As Flora Lewis of the New York Times noted, "Nobody in Europe, West or East, imagines that war means only fighting overseas. For all Europeans, the question of war means the question of survival, not just superiority." Europeans quite naturally have had their fill of war in this century and are deter-mined to avoid another. Perhaps if there had been a war on American soil more recently than our Civil War, 120 years ago, such reasoning would be more in evidence here.

Perceptions of the U.S.S.R. differ. A great many Americans tend to view the Soviet Union as an implacable ideological foe bent on destroying the American way of life. If it is not the "evil empire," at least it is something rather close to it. Many Europeans, on the other hand, are able to view the U.S.S.R. in a Russian historical context-as a paranoid, insecure nation striving for equality and legitimacy. This perhaps does not reduce the Soviet threat in their eyes, but it makes them think twice about taking steps which will merely reinforce Soviet tendencies to see the worst in everyone.

A major consideration for Europe, often underrated on this side of the Atlantic, is the importance of East-With economic relations. Warsaw Pact nations taking only 1.7 percent of American exports in 1982, and supplying a negligible 0.4 percent of our imports, trade with the Eastern bloc, except for grain sales to the Soviet Union, often is not even a factor we consider in weighing our actions or goals. For European members of NATO, on the other hand, imports from pact countries totaled from 4.1 to 4.5 percent during the period 1979-82, while exports to those countries, although falling, still constituted a 3.3percent share. Those aren't large percentages, but, more importantly, while American's apparently still Warsaw Pact trade as a marginal item on the national agenda, the Europeans see greater prospects and believe further development of trade with the East holds promise for future economic growth in the West. Additionally, at least one West European import from the East-natural gas-is currently viewed as a vital commodity. All this means that Europe would sacrifice much more than the United States if trade with the East were to be sharply curtailed. In a related area of differing perceptions, it should be mentioned that, despite the current low trade levels of Western Europe with the East, some Americans believe Western Europe is overly dependent on trade with the East. Many more Americans than Europeans believe that the purchase of goods or commodities vital to West European economies from Eastern Europe; for example, natural gas, places the West in a potential hostage position to Soviet political objectives.

Certainly it is clear to me that Europe generally does share the American view that the Soviet Union is the major threat to world peace. Yet the two sides of the Atlantic take substantially different approaches to dealing with this threat. Americans sometimes accuse Europe of being too accommodating toward Russia, of risking what is termed, if somewhat unfortunately, "self-Finlandization." In the eyes of not just a few Americans, some European governments, in seeking alternatives to the use of force, have defaulted on their most basic responsibility to their citizens, as well as to their alliances. They have also been too accommodating, Dr. Kissinger believes, the radical peace organizations which mount anti-American demonstrations. They have, in his opinion, sought to purchase domestic tranquility by catering to the myth that they are restraining the "immature, bellicose Americans." He says, "In its appeal for restraint, the European Community seemed to put the United States and Libya on the same level." Europeans counter that the United States is fascinated with military power and tends to concentrate too narrowly on military responses. They are concerned by what they see as American adventurism and by an occasionally alleged willingness by the United States to contemplate limited nuclear war in Europe.

Then there is the clear difference in perception about détente. It is clear to me that Europe gained more than the United States did from détente, in the form of reduced tension, increased trade opportunities and improved human contacts. It is also clear that

Europeans are much more reluctant to give up on the process embodied in détente. The United States pronounced détente "dead" after the Soviet invasion of Afghanistan, but Europe has never accepted this judgment; nor has Europe accepted the view that the alliance should stop trying to improve relations or reach arms control agreements. Europeans obviously take a dim view of this Soviet "adventurism" but they refuse to let it jeopardize the fruits of détente in Europe. In general, Europe is more reluctant to allow Soviet misbehavior in the Third World to sour East/West relations than the United States, which sees Soviet action outside of Europe as also providing cause for Western response within the European framework.

I have now dwelt at some length on these few of many varying perceptions, not simply to highlight differences, but to illustrate how even basically similar societies can legitimately arrive at different conclusions. We do appreciate that, even with the best of motives, there are going to be honest differences of opinion. But just as others will ultimately do what they consider to be in their national interest, so must the United States. Our record of contributing to the Defense of Europe is more than just adequate, it is outstanding. It gives us the right, I believe to be taken seriously when we launch an appeal to our European allies for actions which will permit us the flexibility to discharge our duties elsewhere. It is legitimate to ask those who would argue that the process of partial but substantial withdrawal of U.S. troops from Western Europe should not gradually begin in the fairly near future: "How long are they to remain?"

BURDEN-SHARING: CONSEQUENCES AND RECOMMENDATIONS

The sharing of burdens and responsibilities in the Atlantic Alliance continues to place excessive reliance on the resources and the leadership of the United States. This unnatural dependence of Western Europe on the United States needs to be adjusted to enhance Europe's political and economic potential in the alliance.

We cannot expect such change to take place overnight. The current apportionment of responsibilities has been with us for the last 30-plus years. Trying to replace these arrangements totally or at one stroke would pose many dangers, including the possibility that we could end up throwing the baby out with the bathwater-with the destruction of the alliance and the loss of basic freedoms for millions of persons. We therefore should admittedly be very wary of those who call for major "reassessments" of the alliance without offering coherent propositions for the new roads to be taken.

It is, however, not a time when America or Western Europe can responsibly tolerate complacency with the status quo. The alliance cannot afford to sit quietly while Americans increasingly question the excessive share of the burden borne by the United States and Europeans complain about an alliance security policy that is made in the U.S.A. We collectively cannot ignore strategic concerns elsewhere in this globe. Instead, both the United States and the European allies should work steadily toward shifting the relative burdens within the alliance framework. Current efforts at improving NATO's conventional defense forces will, if properly pursued, help reduce the risky reliance on the U.S. nuclear component of NATO's deterrent posture. As a consequence of this necessary shift, some reallocation of defense responsibilities may consciously be caused to occur between the United States and Europe as this program of defense improvements is implemented.

Beyond this, however, the NATO countries should agree that every allied force planning decision, every cooperative NATO program, every joint project, will in the future be shaped to the extent possible by the need to shift greater responsibility to the European members of the alliance. The alliance should make such a commitment clear and unequivocal, a political statement at the highest level that will be reflected in future national and alliance decisions and programs.

The same principle should be considered when the alliance prepares arms control proposals. Potential arms control agreements with the Warsaw Pact nations, for example in the negotiations on Mutual and Balanced Force Reductions, should at least be consistent with the desire to shift burdens and responsibilities within the alliance toward the European partners.

Such actions would help. But it must be recognized that a substantial shift of burdens will require the Europeans to develop a more coherent European contribution to the alliance. In the defense area, statistics demonstrating Western Europe's substantial resources are misleading. It is much easier to add up the various national statistics on defense commitments than it is to merge armed forces, combine national security decisionmaking arrangements, or rationalize weapons procurement and production capabilities.

Certainly, Americans must recognize that it may not always be easy for the United States to deal with a more energetic European role in the alliance. We will not always agree on the de-tails, or on the approach to certain issues. But we in the United States cannot call for greater European defense efforts without expecting to hear a more dominate European voice on defense issues. We should be prepared to deal constructively with those changes, problems, or differences when they come along. I can envision a parallel between this new European defense effort and the European Community. Although we knew at the time of its creation that the EC would one day emerge as a powerful competitor, we nevertheless enthusiastically supported it. Today United States-Economic Community trade skirmishing is commonplace, occasionally bitter, but no one would seriously suggest that we dismantle the Community. A stable, prosperous Western Europe is clearly in our national interest. So is one that is basically well defended by a Western European effort.

If the changes I have outlined are implemented, there surely will be tensions within the alliance, but they will be tensions between more equal partners. Today there are irritants or tensions within the alliance, in some ways not unlike those between the benefactor and recipient of foreign aid. For example, developed countries sometimes resent the failure of developing countries to express more gratitude

for the aid given.

Frankly, I believe it is true that the recipient countries often don't feel much gratitude. What they feel is resentment for having to come "hat-inhand" to request aid. There is an element of that in the American-Western Europe relationship. We are seen as the guarantor and as expecting European fealty. When we don't get it, as in the Libyan case, we feel betrayed. Europeans, for their part, frequently question our leadership and openly wonder if our policies won't lead them into war. For the sake of the enduring relationship, the partners need to be more equal and that means a stronger European defense effort for Europe.

Coincidental to the development of the views and comments by this Member of Congress for the June 20-23, 1986, Santa Fe meeting with members of the European Parliament, the senior Senator from Colorado made similar comments about the importance of a greater equality between the United States and Western European nations in the defense efforts of the Atlantic alliance during his speech at Georgetown University on June 13, 1986. In his view also the "inherent fallibility of the alliance is the continued and corrosive notion of the United States as a dominant partner-even as the other partners have grown to positions of relative equality." He further appropriately opines that: "Notably, the one country which has experienced the least controversy in its defense policy is France * * * because France has taken a primary responsibility for its own defense.'

There may be those Americans who would prefer that Europe remain dependent upon us. I am not one of them. If a militarily stronger Europe occasionally deviates from our preferred course, that is a small price to pay for a Europe better able to meet its security challenges and an America more able to meet American and free world global responsibilities. Speaking in Washington in November 1984, Belgian Foreign Minister Leo Tindemans said, "Our efforts to rebuild the Western European Union are in no way intended as a threat to existing modes of cooperation within NATO or as a snub to the Americans." I appreciate and accept that statement for its acceptance will enable us to change the basically troubling and unnatural condition in the Atlantic alliance. We. indeed, should not view such a process as a threat or a snub, but as a positive development.

First proposed in 1950, the "European Defense Community" was to have been an intergral part of the NATO undertaking. Failure to proceed with the EDC left a crucial gap in NATO which has persisted and become more glaringly evident with the passage of time. If this existed now, U.S. forces could, as orginally contemplated, serve in a supplementary fashion to what would be, first and foremost a European-led defense organization that is truly European in leadership, person-

nel, and resources.

In the near term, it seems that a "European Defense Community" remains beyond Westen Europe's political consensus. It deserves a full reconsideration now and certainly, in the absence of such a "European Defense Community," our allies must begin to aggressively work toward a more effective combination of their defense resources. To be successful, this process must have strong political foundations.

To build such foundations, Western European governments should intensify their joint consultations and cooperative efforts on security issues. Such consultations and cooperation are absolutely necessary to build up the process of a more complete collaboration among European governments in defense matters. They also are necessary to demonstrate to European publics that defense is not a responsibility to be left largely and begrudgingly to the Americans; it is a shared task requiring greater European efforts and inputs, political as well as military.

I sincerely hope that we can move in these directions, for I am convinced that ultimately the future of the alliance depends on our ability to do so.

□ 1440

ADMINISTRATION SUCCESSFUL-LY SETTLES TWO TRADE PRACTICE CASES WITH THE REPUBLIC OF KOREA

(Mr. FRENZEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, I was delighted to hear that today the administration has signed agreements with the Republic of Korea to settle two outstanding 301 unfair trade practices cases.

The first case involved Korea's closed market to foreign insurance sales. The 301 agreement will open Korea's insurance market for interested United States insurance representatives.

The second case involved the lack of intellectual property protection in Korea. U.S. patents and copyrights were often ignored, and counterfeited items were causing an enormous problem for U.S. companies. An agreement was signed whereby Korea will provide both patent and copyright protection to United States patent and copyright holders.

These two settled 301 cases were self-initiated by the administration late in 1985. Today's settlements followed successful use of our 301 statute to settle cases against the EC and Taiwan.

The remaining business between the United States and Korea is the renegotiation of the United States-Korea bilateral textile agreement. Any agreement will be patterned after the Hong Kong and Taiwan agreements, which provide a good compromise between expansion and restriction of quota

The administration has made excellent progress, both in expanding U.S. access abroad, and protecting U.S. markets at home.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted

Mr. BEREUTER, for 60 minutes, today. (The following Members (at the request of Mr. Gonzalez) to revise and extend their remarks and include extraneous material:)

Mr. Nelson of Florida, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today. Mr. Gonzalez, for 60 minutes, today. Mr. GONZALEZ, for 60 minutes, on July 22.

Mr. GONZALEZ, for 60 minutes, on July 23.

Mr. GONZALEZ, for 60 minutes, on July 24.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was

(The following Members (at the request of Mr. STRANG) and to include extraneous matter:)

Mr. COUGHLIN

Mr. BEREUTER.

Mr. KEMP.

Mr. COURTER.

Mr. KINDNESS.

Mr. CONTE.

Mr. GILMAN in two instances.

Mr. BROOMFIELD.

Mr. TAUKE.

(The following Members (at the request of Mr. Gonzalez) and to include extraneous matter:)

Mr. FLORIO.

Mr. SIKORSKI.

Mr. MURTHA.

Mr. SOLARZ.

Mr. UDALL.

Mr. Anderson in 10 instances.

Mr. Gonzalez in 10 instances.

Mr. Brown of California in 10 instances.

Mr. Annunzio in six instances.

Mr. Jones of Tennessee in 10 instances.

Mr. Boner of Tennessee in five in-

Mr. EDWARDS of California.

Mr. RODINO.

Mr. HERTEL of Michigan.

Mr. MARKEY.

Mr. MONTGOMERY.

SENATE BILL AND CONCURRENT RESOLUTIONS REFERRED

A bill and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2129. An act to facilitate the ability of organizations to establish risk retention groups, to facilitate the ability of such organizations to purchase liability insurance on a group basis and for other purposes; to the Committee on Energy and Commerce.

S. Con. Res. 137. Concurrent resolution expressing the sense of the Congress that the Federal Government take immediate steps to support a National STORM Program; to the Committee on Science and Technology.

S. Con. Res. 143. Concurrent resolution expressing the sense of the Congress on the resumption of the United Nations High Commissioner for Refugees Orderly Departure Program for Vietnam; to the Committee on Foreign Affairs.

ADJOURNMENT

Mr. BEREUTER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 43 minutes p.m.) under its previous order, the House adjourned until tomorrow, Tuesday, July 22, 1986, at 4 p.m.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows.

3902. A letter from the Deputy Chief for Programs, Soil Conservation Service, Department of Agriculture, transmitting a watershed plan and environmental impact statement for Big Creek-Hurricane Creek watershed, Missouri, pursuant to 42 U.S.C. 4332(2)(c); to the Committee on Agriculture.

3903. A letter from the Deputy Chief for Programs, Soil Conservation Service, Department of Agriculture, transmitting a watershed plan and environmental impact statement for South Fork watershed, Kansas, pursuant to 42 U.S.C. 4332(2)(c); to

the Committee on Agriculture.

3904. A letter from the Secretary of Education, transmitting final regulations in connection with final training priorities under the training program for special programsstaff and leadership personnel, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3905. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the Department of the Navy's proposed lease of defense articles to Israel (Transmittal No. 38-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

3906. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report on political contributions by Princeton N. Lyman, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federal Republic of Nigeria, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs

3907. A letter from the Assistant Secretary of State on Legislative and Intergovernmental Affairs, transmitting a report on political contributions by Carol B. Hallett, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Commonwealth of Bahamas, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Af-

3908. A letter from the Assistant Secretary of State on Legislative and Intergovernmental Affairs, transmitting a report on political contributions by Julian M. Niemczyk, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Czechoslovak Socialist Republic, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs

3909. A letter from the Assistant Secretary of State for Legislative and Intergov-ernmental Affairs, transmitting a report on political contributions by John H. Kelly, of Georgia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Lebanon, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3910. A letter from the Secretary of Transportation, transmitting the National Airway System Annual Report-fiscal year 1985, pursuant to Public Law 97-248, section 504(b)(2); to the Committee on Public Works and Transportation.

3911. A letter from the Deputy Chief for Programs, Soil Conservation Service, Department of Agriculture, transmitting a watershed plan and environmental impact statement for North Deer Creek watershed. Pottawatomie, OK, and Cleveland Counties. OK, pursuant to Public Law 4332(2)(c); to the Committee on Public Works and Transportation.

3912. A letter from the Chairman, National Research Council, transmitting a report entitled "Twin Trailer Trucks: Effects on Highways and Highway Safety," pursuant to Public Law 97-424, section 144(b); to the Committee on Public Works and Transportation.

3913. A letter from the Chairman, Federal Reserve System, transmitting a monetary policy report, pursuant to 12 U.S.C. 225a; jointly to the Committees on Banking, Finance and Urban Affairs and Education and

REPORT OF COMMITTEES ON PUBLIC BILLS AND RESOLU-

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and referrence to the proper calendar, as follows:

Pursuant to the order of the House on July 17, 1986, the following reports were filed on July 18, 1986]

Mr. DE LA GARZA: Committee on Agriculture. H.R. 2482. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act, and for other purposes; with an amendment (Rept. 99-695). Referred to the Committee of the Whole House on the State of the Union.

Mr. LEHMAN of Florida: Committee on Appropriations, H.R. 5205, A bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1987, and for other purposes. (Rept. 99-696). Referred to the Committee of the Whole House on the State of the Union.

[Submitted July 21, 1986]

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 3655. A bill to counter restrictive practices in the marine transportation of automobiles, and for other purposes; with amendments (Rept. 99-697, Pt. I). Ordered to be printed.

BROOKS: Committee on Government Operations. H.R. 2518. A bill to discontinue or amend certain requirements for agency reports to Congress; with an amendment (Rept. 99-698). Referred to the Committee of the Whole House on the State of the Union.

Ms. OAKAR: Committee on Post Office and Civil Service. H.R. 4300. A bill to entitle employees to parental leave in cases involving the birth, adoption, or serious health condition of a son or daughter and temporary medical leave in cases involving inability to work because of a serious health condition, with adequate protection of the employees' employment and benefit rights, and to establish a commission to study ways of providing salary replacement for employees who take any such leave; (Rept. 99-699, Pt. I). Order to be printed.

Mr. NICHOLS: Committee on Armed Services. H.R. 4370. A bill to amend title 10, United States Code, to reorganize the De-

partment of Defense; with an amendment (Rept. 99-700). Referred to the Committee of the Whole House on the State of the

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

> By Mr. WYDEN (for himself, Mr. LELAND, and Mr. GREEN):

H.R. 5206. A bill to amend part B of title XVIII of the Social Security Act to provide for payment for home oxygen services on a prospective basis: jointly, to the Committees on Ways and Means, and Energy and Commerce.

> By Mr. WYDEN (for himself and Mr. TAUKE):

H.R. 5207. A bill to amend title XVIII of the Social Security Act to modify the limitations of payment for home health services under the Medicare Program: jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. BENNETT (for himself and Mr. Hughes):

H.R. 5208. A bill to improve efforts to monitor, assess and reduce the adverse impacts of driftnets; to the Committee on Merchant Marine and Fisheries.

By Mr. CONTE:

H.R. 5209. A bill to amend the Internal Revenue Code of 1954 to allow employers a targeted jobs credit for employing certain older individuals, and to extend by 3 years the termination date of the targeted jobs credit; to the Committee on Ways and Means

By Mr. FRENZEL:

H.R. 5210. A bill to eliminate an exception in section 313 of the Federal Election Campaign Act of 1971 that permits certain Members of Congress to use excess campaign funds for personal purposes; to the Committee on House Administration.

By Mr. HAWKINS:

H.R. 5211. A bill to authorize the appointment of certain additional Assistant Secretaries of Labor, and for other purposes; to the Committee on Education and Labor.

By Mr. JONES of Oklahoma (for himself, Mr. English, Mr. Edwards of Oklahoma, Mr. WATKINS, and Mr. McCurdy):

H.R. 5212. A bill to amend Part A of title IV of the Social Security Act to permit a State at its option, under the AFDC program, to require registration for WIN purposes in the case of parents and relatives of children under the age of 6; to the Committee on Ways and Means.

By Mr. LUKEN (for himself, Mr. Bell-ENSON, Mrs. Burton of California. Mr. CROCKETT, Mr. DOWDY of Mississippi, Mr. DYMALLY, Mr. FAZIO, Mr. LIPINSKI, Mr. MINETA, Mr. MITCHELL, Mr. Morrison of Connecticut, Ms. OAKAR, Mr. RITTER, Mrs. SCHROEDER, Mr. Weiss, Mr. Whittaker, Mr. WISE, and Mr. WORTLEY

H.R. 5213. A bill to establish the Congressional Advisory Commission on Intercollegiate Athletics; jointly, to the Committees on Energy and Commerce and Education and Labor.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1103: Mr. RIDGE.

H.R. 2663: Mr. Myers of Indiana and Mr. HORTON.

H.R. 3024: Mrs. Holt, Mr. Smith of Florida, Mr. Coelho, Mr. Boehlert, Mr. Coleman of Missouri, Mr. WYLIE, and Mr. Nowak.

H.R. 3894: Mr. DREIER of California, Mr. FOLEY, Mr. RANGEL, Mr. DIXON, Mr. HUNTER, MAVROULES, Mr. GUNDERSON, DARDEN, Mr. DUNCAN, Mr. McGrath, Mr. Li-PINSKI, Mr. COELHO, Mr. GEPHARDT, Mrs. Byron, Mr. Lehman of California, Mr. WEBER, Mr. STAGGERS, and Mr. PASHAYAN.

H.R. 4003: Mr. YATRON.

H.R. 4038: Mrs. Boggs and Mr. Visclosky.

H.R. 4039: Mr. CALLAHAN.

H.R. 4370: Mr. Dickinson, Mr. Edgar, Mr. BILIRAKIS, Mr. WILLIAMS, Mr. HAMILTON, Mr. VOLKMER, Mr. WATKINS, Mr. COELHO, Mrs. Byron, Mr. Daniel, Mrs. Schroeder, Mr. Sunia, Mr. Scheuer, Mr. Hoyer, Mr. KOSTMAYER, and Mr. DAVIS.

H.R. 4567: Mr. FASCELL.

H.R. 4633: Mr. Hughes, Mr. Boucher, Mr. MURPHY, Mr. GAYDOS, Mr. CHAPMAN, Mr. HENRY, Mr. SAXTON, Mr. FEIGHAN, Mr. Mol-LOHAN, Mr. KILDEE, Mr. DELLUMS, Mr. KOLTER, Mr. SAVAGE, Mr. RODINO, BROOKS, Mr. JEFFORDS, Mr. TAUKE, and Mr. PASHAYAN.

H.R. 4660: Mr. NEAL.

H.R. 4766: Mr. Barton of Texas.

H.R. 4820: Mr. MURTHA. H.R. 4879: Mr. VALENTINE.

H.J. Res. 244: Mr. JEFFORDS and Mrs. LLOYD.

H.J. Res. 512: Mr. CONTE, Mr. HANSEN, Mr. HENRY, Mrs. HOLT, Mr. FRENZEL, Mr. BATE-MAN, and Mr. MOORE.

H.J. Res. 514: Mrs. Kennelly, Mr. Skel-TON, Mr. LIGHTFOOT, Mr. BARNES, Mr. LEWIS of Florida, Ms. KAPTUR, Mr. VOLKMER, Mrs. MEYERS Of Kansas, Mr. Annunzio, Mr. Saxton, Mr. Morrison of Washington, Mr. SUNIA, Mr. WALGREN, Mr. TAUKE, Mr. LA-FALCE, Mr. CARNEY, Mr. PACKARD, Mr. LEWIS of California, Mr. Hubbard, Mr. Wolpe, Mr. FISH, Mr. MATSUI, Mr. TALLON, Mr. LEVINE of California, Mr. Boner of Tennessee, Mr. GORDON, Mr. EARLY, Mr. REGULA, Mr. DUNCAN, Mr. ROBERT F. SMITH, Mr. MOLLO-HAN, Mr. DENNY SMITH, Mr. JONES OF Tennessee, Mr. DEWINE, Mr. WOLF, Mr. McKin-NEY, Mr. HAMMERSCHMIDT, Mr. LOEFFLER, Mr. Foglietta, and Mr. Hertel of Michigan.

H.J. Res. 555: Mr. Evans of Illinois, Mr. TORRICELLI, Mr. RALPH M. HALL, Mr. HENRY, Mr. KOLTER, Mr. HUNTER, Mr. HANSEN, Mrs. JOHNSON, Mr. JONES of North Carolina, Mr. KOSTMAYER, Mr. COELHO, Mr. LEACH of Iowa, Mr. Jeffords, Mr. Lehman of Florida, Mr. McDade, Mr. Moakley, Mr. Porter, Mr. Kastenmeier, Mr. LaFalce, Mr. McHugh, Mr. DeWine, Ms. Mikulski, Mr. Hefner, and Mr. VOLKMER.

H.J. Res. 594: Mr. TORRICELLI and Mr. WIRTH.

H.J. Res. 607: Mr. BARTON of Texas, Mr. COBEY, Mr. LUNDINE, Mr. REID, Mrs. SCHNEI-DER, and Mr. TORRICELLI.

H.J. Res. 619: Mr. NIELSON of Utah, Mr. GEJDENSON, Mr. BROWN of California, Mr. MATSUI, Mr. BONER of Tennessee, Mr. LIPIN-

SKI, and Mr. Weaver.
H.J. Res. 645: Mr. Davis, Mr. Horton, Mr. Fazio, Mr. Conyers, Mr. Foglietta, Mr.

GARCIA, Mr. STANGELAND, Mr. GUNDERSON, Mr. KOSTMAYER, Mr. McDADE, Mr. MURPHY, Mr. OWENS, and Mr. RINALDO.
H.J. Res. 670: Mr. LEHMAN OF Florida, Mr. SABO, Mr. FAUNTROY, Mr. RAHALL, Mrs. BENTLEY, Mr. MINETA, Mr. MRAZEK, Mr. REID, Mr. HOWARD, Mr. HORTON, Mr. FAZIO, Mr. BRYANT, Mr. DANIEL, Mr. GRAY OF Illi-Mr. Bryant, Mr. Daniel, Mr. Gray of Illi-nois, and Mr. Sunia. H. Con. Res. 307: Mr. Chandler.

PETITIONS, ETC.

Under clause 1 of rule XXII,

Luis Gordoba, Tegucigalpa, Honduras, relative to political prisoners in Nicaragua; which was referred to the Committee on

AMENDMENTS

Under clause 6 of rule XXIII, pro-428. The Speaker, presented a petition of posed amendments were submitted as follows:

H.R. 5162

By Mrs. SCHROEDER: -Page 32, line 19, strike "\$100,000,000" and insert, in lieu thereof, "\$99,644,800".

SENATE-Monday, July 21, 1986

The Senate met at 12 noon, and was called to order by the President pro tempore [Mr. Thurmond].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

O God, Thou art my God; early will I seek Thee: My soul thirsteth for Thee, my flesh longeth for Thee in a dry and thirsty land where no water is; To see Thy power and Thy glory * * *.-Psalm 63: 1-2.

My soul thirsteth for God, for the

living God . . .-Psalm 42: 2.

O Lord, our God, we identify with the words of the psalmist-help us to see our need for Thee-for this fundamental reality in our lives. Help us to see how we deprive ourselves of the refreshing, the rest, the restoration that comes only from fellowship with Thee. Help us to see the futility we impose upon ourselves when we ignore Thee. Forgive our blindness-our deafnessour indifference. Return us to Thyself O Lord that we may be satisfied, fulfilled, and fruitful. Receive us and bless us and use us for Thy glory. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished able majority leader, Senator Robert Dole, is recognized.

SCHEDULE

Mr. DOLE. Mr. President, I thank the distinguished Presiding Officer, Senator THURMOND.

As I have indicated hopefully by 1:30 we will be on S. 2245, the export administration bill. Following that, it will be our intention to begin consideration of S. 2247, the Export-Import Bank bill. It is my hope that we will finish the Export Administration bill today without a vote. Then the Export-Import Bank bill will go over until tomorrow.

There will be no votes after 6 o'clock this evening. Also, we could then turn to any executive items today.

Then by previous consent the hours from 10 a.m. to 12 noon tomorrow have been set aside to eulogize the late Senator John East. Following the eulogies there will be the weekly party caucuses until 2 p.m., when we get to the possibility that there might be a vote on the Manion nomination. But in any event I just urge and alert my colleagues that we are probably going to have some late nights in the next 2 to 3 weeks if we are going to be able to leave here on the 15th of August.

After we finish the Export-Import Bank bill it will be my intention to turn to the debt limit. I know that is going to be controversial. It always is. That is Senate Joint Resolution 668.

I would guess, if we could start on that Wednesday, it will probably be around all day Wednesday and into the evening, all day Thursday and into the evening, and hopefully we can conclude at a reasonable hour on Friday. But if not, we will be here all day Friday. That is, assuming we complete the other items I have mentioned.

In any event, it is going to be a busy week. Then the next 2 weeks will be very busy, and again I do not want to be perceived as threatening anyone with extending the time before we recess. Recess is set for the 15th of August. We hope to be able to do that. But we still, in addition to the debt ceiling, have aid to the freedom fighters, we have some appropriation bills, and we have reconciliation in addition to a number of other items. We have now worked out an agreement, I think, on the two Supreme Court nominees. Under the agreement they will both be reported out before August 15, and both will be taken up the first week after the recess. That seems reasonable to me. That will give those who oppose the nominees an opportunity to seek out support against the nominees during the recess. I believe that is what those on the other side wantedto go out and try to find votes against Rehnquist or Scalia. That will give them 3 weeks to do that.

We can take them up the first week

after we come back.

ARMS CONTROL

THE REAGAN STRATEGY

Mr. DOLE. Mr. President, for 51/2 years, some people around this town have made a career of trying to attack Ronald Reagan on arms control issues.

When the President took office, and spoke the hard truth about the nature of the Soviet Union, and the military threat it represented, these critics cried out that Ronald Reagan could never negotiate with the Soviets because his rhetoric was too pointed-it would offend the poor souls in the Kremlin.

Then, when we began a long-overdue campaign to catch up with the Soviets in military capabilities-especially in the strategic weapons area-we were told that such a "military buildup" spelled doom for arms control.

Then the President announced his Strategic Defense Initiative-which the critics gleefully tagged "star wars"-and the naysayers labeled it the "death knell" for arms control.

And finally, just several months ago, the President decided the United States, in the face of massive Soviet violations, was abandoning its unilateral commitment to the unratified SALT II Treaty. And that decision became the latest "death sentence" for arms control.

THE SOVIETS UNDERSTAND

Well, some people might have bought those charges, and arguments, but unfortunately for us all, at least one group did not-the leaders of the Soviet Union! They understood what Ronald Reagan's strategy was really about. They understood that our President was going to do "whatever was necessary" to ensure our national defense. They understood that plans to achieve their goals through naked threats and bullying were not going to succeed during a Reagan Presidency. And they also understood-and last November's summit was probably the occasion when this message really got through-that Ronald Reagan was seriously interested in real arms control. The kind that could enhance, not endanger, our national security. The kind that could make the world truly safer and more secure.

And so, confounding the dire predictions of the critics, the Soviets returned to the Geneva talks they had earlier abandoned. They slowly but surely got around to negotiating, even as SDI research went forward. And, finally, they tabled what appears to be a serious proposal which may offer some hope for real progress in arms reduc-

WHITE HOUSE ANNOUNCEMENT

The White House announcement this morning that we have formulated the essentials of our response, and that we have begun consultations with our allies, demonstrates again that the President is not going to let this opportunity to make progress get away. The White House indicated we will probably have our reply to Gorbachev by the end of the month-that, hopefully, will open the door to a meeting between Secretary Shultz and Soviet Foreign Minister Shevarnadze which, in turn, would work out details for a summit this year.

These are only the initial steps. We do not yet know where this road will lead. Above all, we do not yet know whether the Soviets are really serious about wanting substantial, verifiable arms reductions. But we do have some

reason to hope.

We have this hope: Not in spite of, but because of Ronald Reagan. We have this hope, not in spite of, but because we had the sense to support the President's programs for the MX, SDI, and all the rest. We have this hope, not in spite of, but because we have wisely abandoned the phony constraints of SALT II, and said that, absent some new, real arms reduction agreement, we will do whatever is necessary to ensure our national defense.

Mr. President, despite what has happened, I do not really expect that the President's knee-jerk critics are going to admit they were wrong. They are going to continue to forget history, ignore the facts, and predict the worst. My hope is that, as they continue their mindless diatribes, the rest of us can move forward, with the President, to a future where our country will be strong and secure, and the world will not have to live under the constant threat of nuclear annihilation.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. Gorton). Under the previous order, the distinguished minority leader is recognized.

SCHEDULE

Mr. BYRD. Mr. President, I listened to the distinguished majority leader with great interest as he outlined the program in a general way over the next few days.

He made some references, as he has on previous occasions, to a possible delay in the August recess. This will be quite all right with me. But I think, if I may respectfully say so, if we are going to delay that recess, we ought to say so now so that Members will know in plenty of time that we are not going to begin it on the date that was scheduled many weeks or months ago, and

just be done with it.

If there is a need to stay and do the work of the Senate, I shall join with the distinguished majority leader in promoting that effort. But I should think that perhaps if he and I could get together, and as he would desire to do so, to determine whether or not we are really going to stick to that date, we ought to say so soon. I happen to believe that the work of the distinguished majority leader as outlined can be done in time to begin the recess as it has been previously scheduled. I do not anticipate any great delay. As I understood the distinguished majority leader a few days ago, he had indicated that the beginning of the August recess might be delayed in the event that the votes on the Rehnquist and Scalia nominations would not be had before the recess.

□ 1212

Now, as I understand, in reading the newspaper reports, at least, those nominations will be voted on in the Senate, if I am correct in what I have interpreted from reading the press, after the Labor Day recess. If that is the case, then it seems to me that that would remove one considerable obstacle from the agenda which the distinguished majority leader may have had in mind

Does he care to react to that?

Mr. DOLE. Let me indicate that I think on last Thursday or Friday I was visited by Senators BIDEN, METZ-ENBAUM, KENNEDY, and SIMON, and I believe THURMOND, with reference to the nominations. I believe they had spoken to the minority leader earlier. They offered some proposal that we would not do either nomination before the recess but that we would try to do them after the recess. It seems to me we would have finished them in September. But after discussions with the distinguished chairman of the Judiciary Committee, it is my understanding that there has been an agreement reached which would do preciely what the minority leader suggested, both would be reported prior to August 14 and both would be taken up the week we come back in September.

But there have been other indications by the Senator from California, who is on the floor, and others who have indicated they might fillibuster aid to the freedom fighters, which is another thing we had not anticipated. I am not certain that will take place, but that could take some time.

I would be very pleased to sit down with the distinguished minority leader and go over what I believe to be the must list items. Some we are not going to get done, obviously, which is always the case. I share his view. I have discussed that before. The fact is, if we have to extend the departure, we should do so very quickly because many of us have schedules in place following the 15th.

Mr. BYRD. I thank the distinguished majority leader.

Reference to the possible filibuster on Contra aid brings me now to my next question.

There are several major issues that may remain unresolved before adjournment—at least two important ones, South Africa and the final scope

of the 1987 defense budget.

I would like to ask the di

I would like to ask the distinguished majority leader his intentions about bringing up the South Africa legislation and the defense authorization bill. In the military construction appropriations bill, the language is included by the House dealing with Contra aid. If the distinguished majority leader intends to precede the action on the military construction appropriations bill by the defense authorization bill, I do feel that that

would be the proper way to go, because the authorization should go first.

I am hearing, however, that the Senate consideration of the defense bill may be delayed unduly, causing great concern among Senators on both sides of the aisle. That bill contains about \$300 billion for military programs, many essential to the maintenance of our national security, and there are major issues surrounding that bill, not only Contra aid, in the event the bill should come before the Senate prior to the military construction appropriations bill, but also procurement, research and development, combat readiness, personnel issues, among which issues there would be SALT policy, SDI funding, treaty negotiating records access, how many bombers and what type we should buy, Midgetman missiles, pay and benefits, and Pentagon procurement reform.

These and other issues are complex, and the Senate should begin to debate them as soon as possible. The most appropriate vehicle for such a debate is

the defense bill.

Can the distinguished majority leader inform us at this time as to his intentions about getting quick action on the defense authorization bill once it is reported to the floor by the committee?

Mr. DOLE. I would indicate first of all that the committee has further work to do on the bill. We know that we are told that it will take at least 3 to 4 more days. We get back to the same question of how we are going to do all of these things between now and the time we hope to adjourn on October 3. That is 1 week without South Africa, freedom fighter, and SALT amendments. If we have those three, we are talking about 2 weeks.

I realize these are issues that are going to be dealt with one way or the other in the Senate. Somebody is going to offer an amendment sometime. I am not trying to duck the issues. I think there should be some debate.

I would hope on South Africa, before we have a bill on the floor, at least we would have hearings. Hearings will start tomorrow. Secretary of State Shultz is to be before the committee on Wednesday. It may be, and I would hope this would be the case, there might be some agreement, some bipartisan agreement, on what we might take as the next step to send another signal to the South African Government that we do have concerns.

I am not yet prepared to say when we will bring up the authorization bill. I just do not know. I will try to find

Mr. BYRD. The reports are in the newspapers, at least what I have been able to pick up, that some of the people downtown do not want the de-

fense authorization bill brought to the floor because of these sticky matters. I would hope that the distinguished majority leader would bring the defense authorization bill up in the Senate so that the Senate can have an opportunity to debate these issues and work its will on them.

I believe that the defense authorization bill has been brought up in the Senate every year for the last 10, 15, or 20 years. I do not remember a year, going back, as to when a defense authorization bill has not been brought before the Senate.

I am not seeking to imply that the distinguished majority leader has no plans to bring up the defense authorization bill. I am concerned because I hear reports, rumors, that come from downtown that the White House does not want the defense authorization bill brought up because of these matters. I would simply want to express the hope that the distinguished majority leader can assure us that that bill be brought up in the Senate and will be debated soon after it is reported from the committee.

Mr. DOLE. As I recall last year, if the Senator will yield, we brought it up and had time on it but the House never took it up. I would hope to avoid that. We only have about 6 weeks left. There is no use to waste a week or more if it is not going anywhere. I know there are all these other issues that sooner or later will be coming up. It has been suggested by some that perhaps we ought to make an agreement, we ought to sit down and work out an agreement, on a package which has SALT, South Africa, and aid to the Contras, not a package necessarily but some agreement where we could all have our say and debate the bill at length. We have already passed aid to freedom fighters once in the Senate. We have already expressed our will. I would hope that would not be a big hurdle the next time.

I will also check those rumors because they are rumors I had not heard.

Mr. BYRD. I thank the distinguished majority leader.

Before the distinguished majority leader leaves the floor, if I could further impose on him briefly, the deteriorating situation in South Africa affects and concerns all of us. The Nation and the world await a clear statement of administration policy after months of drift and indecision. Constructive engagement is dead as a policy, and more effective alternatives should be offered.

The objective of U.S. policy must be to encourage peaceful change. If sanctions are unacceptable, what course is left to us? The administration is trying to fight something with nothing, trying to fight apartheid with no policy. One cannot fight something with nothing. It would seem that

South Africa is hemorrhaging from self-inflicted wounds. That country is too important to U.S. interests without our trying to encourage peaceful change. The President is scheduled to address the issue tomorrow. I hope the Senate will move thereafter without delay to demonstrate its concern and judgment on South Africa.

My question is, there is the House bill on the calendar, put there by the operation of rule 14. Can the distinguished majority leader assure the Senate as to when or how soon or whether that House bill that has been put on the calendar will be called up in the Senate? If that cannot be done, what is the distinguished majority leader's plan with respect to dealing with the South African situation as soon as possible?

Mr. DOLE. I have indicated, as I have before, that, obviously, we have a very serious problem in South Africa. The President will be meeting with some of us this afternoon at 3 o'clock. He will be making a statement tomorrow. On Wednesday, Secretary Shultz will be testifying before the Senate Foreign Relations Committee. My colleague, Senator Kassebaum, has a bill which does impose sanctions. There are other ideas floating around.

Again, it would be my hope, as we were able to achieve last year, we would have sort of a bipartisan agreement. It did not please everybody, in particular, particularly on this side. We were able to work out an agreement which did take some initial steps. I would hope that there would be some order that we would at least have the administration's view presented before we take up anything. I think this week, unless it is offered, the debt ceiling will pretty much consume the time.

Mr. BYRD. I have one final question. The distinguished majority leader mentioned earlier in his outline of the program something about the Manion nomination coming up tomorrow.

Mr. DOLE. I said that was a possibility. But I will, in accordance with my agreement, give the leader 24 hours' notice.

Mr. BYRD. So the leader's statement earlier is not to be interpreted as the 24-hour notice?

Mr. DOLE. No; I will do that privately with the minority leader.

Mr. BYRD. I thank the distinguished majority leader.

Mr. President, I yield the floor.

RECOGNITION OF SENATOR THURMOND

The PRESIDING OFFICER. Under the previous order the Senator from South Carolina [Mr. Thurmond] is recognized for not to exceed 5 minutes.

JUDICIAL NOMINATIONS

Mr. THURMOND. Mr. President, with regard to the colloquy concerning the judges, I wish to announce to the Senate that an agreement has been reached with Senator BIDEN and the Democrats for the time for these hearings.

The Rehnquist hearing will be held on July 29 and, if necessary, another hearing on July 30. The Scalia hearing will be held on August 5.

A vote on both nominations will occur in the Judiciary Committee on August 14. Then action by the Senate will not take place until after we return from the Labor Day recess.

□ 1990

Mr. President, I wanted to make that announcement because these dates have all been agreed to by the ranking member of the Judiciary Committee [Mr. Biden] and the Democrats on the committee and also by the civil rights groups and the Department of Justice. I think these are all nailed down and for the benefit of the distinguished Democratic leader, I wanted to make this announcement so he would know definitely about this situation.

If I could have his attention, I just announced the dates that have been agreed to for the Rehnquist hearings and the Scalia hearings: Rehnquist July 29 and Scalia August 5, and a vote in committee on August 14. Then no action will be taken in the Senate until after the Labor Day recess. That is agreeable as far as all are concerned.

Mr. BYRD. Mr. President, I thank the distinguished President pro tempore, the chairman of the Judiciary Committee [Mr. Thurmond], for his advice as to the schedule of hearings that will be conducted in the Judiciary Committee and the votes therein. It seems to me this is a very reasonable schedule. This would mean, then, that the action by the Senate on the nominations would occur following the Labor Day recess.

Mr. THURMOND. I might say that a great many people urged that they be expedited more, but we wanted to give every opportunity and be as reasonable as we could and we have leaned over backward in order to reach an agreement in this matter.

Mr. BYRD. I thank very much the chairman of the Judiciary Committee.

HEALTH WARNING LABELS FOR ALCOHOLIC BEVERAGES

Mr. THURMOND. Mr. President, I rise today to discuss one of our most serious national health problems, the adverse consequences of alcohol use. Recently the American Medical Association released statistics which indicate that alcohol use costs the American economy nearly \$120 billion per

year. These costs include increased medical expenses and decreased productivity. These monetary losses, however, do not take into account the severe psychological and social consequences for the used, for family members, and for society at large. For example, in 1984 there were 44,241 traffic fatalities in our Nation. Fifty-three percent—I repeat, 53 percent—of these deaths, or 23,500, were alcohol related. It boggles the mind to think that these people would probably be alive today were it not for the mixture of alcohol and driving.

A study in New York City found that the victims of 54 percent of all fire deaths and 68 percent of all drowning deaths had high blood alcohol concentrations. The adverse consequences of alcohol use have other victient results. Alcohol is involved in 80 percent of all homicides, 70 percent of all serious assaults, 50 percent of all forcible rapes, and 72 percent of all robberies in the United States each

The National Institute of Alcohol Abuse and Alcoholism [NIAAA] estimates that 18.3 million Americans are "heavy drinkers", which is defined as consuming more than 14 drinks per week. In 1985, over 12 million American adults had one or more symptoms of alcoholism. This represents an increase of 8.2 percent from 1980.

Among teenagers, alcohol abuse has reached epidemic proportions. The NIAAA found that in 1984 almost 3.3 million 14- to 17-year-olds experienced serious problems at home, in school, or with the law because of alcohol consumption.

The unborn are also affected by alcohol consumption. For several years, researchers have been studying infants born to women who drank during pregnancy. What they have found in a significant number of these infants is a disturbing pattern of physical, mental, and behavioral abnormalities collectively known as fetal alcohol syndrome. These studies and others conducted by the Surgeon General have resulted in an important health advisory. The U.S. Surgeon General has officially advised women to abstain from drinking during pregnancy or when considering pregnancy.

Despite this warning, fetal alcohol syndrome is the third leading cause of birth defects. It is the only preventable birth defect among the top three. Nearly 5,000 babies per year are born with birth defects related to fetal alcohol syndrome.

A recent National Center for Health Statistics study indicates that Americans know less about the adverse effects of alcohol on health than they do about the harmful effects of smoking. Only 1 in 3 of those individuals surveyed knew that alcohol was associated with cancers of the throat and mouth. A 1985 Government survey re-

vealed that only 57 percent of Americans had even heard of fetal alcohol syndrome.

Mr. President, these recent statistics are horrifying. Furthermore, when problem drinking has increased in this Nation in the last 5 years, I believe it is time for a concerted national effort to educate the American people about some of the serious consequences of alcohol use. Health warning labels on alcoholic beverages would assist in this educational process.

educational process.

For many years, I have firmly believed in the need for such labels on alcoholic beverages. Accordingly, I am proud to have been a coauthor of legislative language which is included in S. 2595, the NIAA Reauthorization Act, that would require rotating health warning labels on alcoholic beverages.

The principal sponsor of this bill, Senator Paula Hawkins, serves as chairman of the Subcommittee on Alcohol and Drug Abuse. I know of no Member of Congress who has been more effective legislatively or more devoted to the fight against the national health tragedies of alcohol and drug abuse than Senator Hawkins. I am also pleased that the original cosponsors of this legislation illustrate its strong bipartisan support. Senator KENNEDY and Senator Dopp have joined Senator Hawkins, Senator HATCH and me in our efforts to achieve the passage of this important legislation.

Despite our efforts to pass this bill, all of the original cosponsors are fully aware of the special interest groups who will actively fight the enactment of this legislation. These groups assert that the public already knows of the potential hazards of alcohol use, and that these labels would serve no purpose. In other words, the argument is that the American people neither need nor want these health labels. The real facts are to the contrary.

A 1984 Roper survey of alcohol problems found that 64 percent of business, government, and military leaders endorse health warning labels, and 68 percent of the general public agrees. There is a long list of health and consumer organizations that have endorsed this legislation including the American Medical Association, the March of Dimes, the National PTA, the National Council on Alcoholism, American Council on Alcohol Problems and the National Association of State Alcohol and Drug Abuse Directors.

I note with some amusement the arguments of those who oppose this legislation on the grounds that the labels provided in this bill may "mislead" the public. A publication called "A Spirit of Responsibility," published by the Distilled Spirits Council of the United States, highlights public awareness campaigns sponsored by the liquor in-

dustry regarding some of the serious consequences of alcohol use. A full page in the publication is devoted to a Times Square electronic billboard ad sponsored by the Distilled Spirits Council on New Year's Eve 1985. The ad said "If you're drinking, whatever you're drinking let someone else drive tonight." The so-called "misleading" health label provided in our bill states: "Drinking this product, which contains alcohol, can impair your ability to drive a car or operate machinery." The proposed label on the subject of fetal alcohol syndrome merely restates what the Surgeon General has previously determined. In fact, all of the labels are based on solid scientific research. They do not mislead. They provide factual information for the benefit of the consumer.

□ 1235

It is my view that underlying reason for opposing this bill is not that Americans do not want it or that the labels are misleading. No, it is my view that opponents of alcohol warning labels fear that it will reduce alcohol consumption.

In support of these labels I have said on numerous occasions that if they deter a potential abuser of alcohol from taking a drink, or prevent a casual drinker from climbing behind the wheel of a car when he or she has had "one too many," or if they prevent a pregnant woman from potentially causing harm to her unborn child, then this legislation will be effective and worthwhile.

Mr. President, this legislation serves only to provide individuals with the knowledge necessary to make informed decisions about whether or not to consume alcoholic beverages. These labels do not create any legal restriction or penalty to those who do not heed the warnings. They merely provide cautionary notice that consumption of the product may entail serious consequences in certain situations.

Mr. President, in closing, I would ask unanimous consent that a copy of an editorial from the July 2, 1986, edition of the Washington Post, entitled "Should Liquor Have Warning Labels," be printed in the Record immediately following these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Finally, I strongly urge my colleagues to join Senator HAWKINS, Senator HATCH, Senator KENNEDY, Senator DODD, and me in cosponsoring this important legislation.

[From the Washington Post, July 2, 1986]

Ехнівіт 1

SHOULD LIQUOR HAVE WARNING LABELS?

(By Thomas V. Seessel)

The Senate Labor and Human Resources Committee has now agreed unanimously on an idea whose time has come: federal mandatory health and safety warning labels on alcohol beverage containers.

If S. 2595 is enacted, alcohol would join cigarettes, smokeless tobacco, aspirin, saccharin and over-the-counter and prescription drugs on the list of products for which warning labels are required by federal law.

There is no justification to continue the exemption of alcohol beverages from this group. Alcohol is a factor in about 15 percent of all health-care expenditures and in 30 percent to 40 percent of hospital admissions. Dr. Louis Jolyon West of the UCLA School of Medicine and editor of "Alcoholism and Related Problems" summed it up when he wrote that "ethyl alcohol is the most widely abused chemical in the Western World, implicated in far more deaths than any other substance.

People at risk for alcohol-related problems, and especially children who have not begun to drink, need to know about the surprisingly large array of alcohol-related problems that result from its consumption. Even for light drinkers, according to a recent article in the Journal of the American Medical Association, the risk of hemorrhage stroke is more than double compared with abstainers. The estimated economic impact of alcoholism and other alcohol problems was \$116 billion in 1983. One of three American adults says that alcohol has brought trouble to his or her family. Alcohol-related causes account for 100,000 to 200,000 deaths each year, and alcohol-related traffic accidents are the leading cause of death among 15- to 24-year-olds. Drinking during pregnancy, linked to infant mortality and low birth weight, is the third leading cause of birth defects with accompanying mental retardation and the only preventable one-preventable by not drinking.

S. 2595 would require warning labels "in a conspicious and prominent place on the container" of alcoholic beverages. Warnings, which would be rotated during the course of the year, would address the dangers of drinking during pregnancy, drinking and driving, the risks of drinking while taking other drugs, and the links between alcohol consumption and cancers, hypertension and

liver disease.

Warning labels would serve a necessary educational purpose. A recent report from the National Center for Health Statistics pointed out that Americans are less knowledgeable about the adverse effects of alcohol on health (with the exception of cirrhosis of the liver) than they are about the harmful effects of smoking. One in three of those surveyed knew that alcohol was associated with cancers of the throat mouth. A 1985 government survey found that only 57 percent of Americans of all ages had heard of Fetal Alcohol Syndrome. The 1980 Report to the President and Congress from the departments of Treasury and Health and Human Services on this subject concluded that a "heightened awareness of these specifics would contribute to a lessening of the health problems related to alcohol.

The American leadership and general public support a labeling requirement. A 1984 Roger survey of alcohol problems reported that 64 percent of business, government, military and other leaders endorsed mandatory health warning labels, and 68 percent of the general public agrees.

S. 2595 also advances the public interest by underscoring that beer and wine are alcoholic beverages, a fact often obscured in popular perceptions. The labeling provisions would apply equally to beer, wine and distilled spirits. A companion public health amendment in S. 2595 included by Sen. Orrin Hatch (R-Utah) would require that the alcohol content of beer and other malt beverages be declared on the label, a long-standing requirement for hard liquor and most wine. The public has a right to know when and how much alcohol it is drinking. This is especially important for young people, whose gateway alcoholic beverage is usually beer.

Despite unusual bipartisan support in the Senate and solid floor backing, S. 2595 faces an uncertain fate on the floor of the Senate and in the House because of strong opposition from the alcohol industries. The bill is opposed by the producers for one simple reason: warning labels tell the truth about health and safety risk of alcohol, in contrast to the glamorous life style cultivated by more than \$1 billion a year in alcohol advertising.

But these public health measures are long overdue. Proposals for their enactment were first made in the late 1970s and sidetracked. Ten years later, Americans are waking up to the enormous human and economic toll of alcohol problems. S. 2595 reauthorizes federal alcohol and drug abuse research efforts and contains a budget-neutral public health measure that responds to public concerns.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 5 minutes.

STATE VERSUS DEFENSE ON ARMS CONTROL—WHO REALLY WON?

Mr. PROXMIRE. Mr. President, it is now well known that the administration is sharply divided over arms control policy. Simply put: The State Department in the person of Secretary Shultz wants to negotiate an arms control agreement with the Soviet Union. It privately wants to preserve the Strategic Arms Control Treaty, SALT II. It privately favors some partial compromise with the Soviet Union on negotiation of a test ban treaty. It privately also favors agreeing with the Soviets to a commitment to confine SDI or star wars to laboratory research for some years to come. All of these are the general terms that the Soviet Union has specified as their conditions necessary to agree to summit meeting.

The Defense Department, in the person of Secretary Weinberger, publicly and privately opposes the State Department on each of these points. It does not want to negotiate an arms control treaty on these terms. It recommends nullifying the SALT II Treaty. It flatly opposes negotiating a ban on nuclear weapons testing. It opposes any restrictions on star wars.

So the administration, including President Reagan himself, has been speaking with contradictory, confusing voices. One week the SALT Treaty is out. The next it is in. One day there is word of possible compromise in negotiation on a new test ban treaty. The next day compromise on nuclear weapons testing is declared dead. Today's news may report that the administration is considering an agreement for a temporary agreement to confine star wars to laboratory research. Tomorrow's news is that the President has once again reasserted his absolute determination to agree to no limits whatsoever on star wars. So who will win? The New York Times thinks it has an answer.

Today's New York Times carries an article headlined: "The Resurgent Shultz: How a Comeback Is Made." The article starts out with a declaration that Shultz and the State Department have won the fight. The article by Leslie Gelb even explains that Shultz has won by being a good soldier. When the President has declared Weinberger the winner, as on the SALT II Treaty last May, Shultz has gone along with the President, sled length. Most of the article declares George Shultz the winner. But wait a minute, listen to the last three short paragraphs of the article. Here they are:

Many officials throughout the bureaucracy say Mr. Reagan's tilt is now clearly in Mr. Shultz's direction, a change from past patterns on arms control issues of either being slightly pro-Weinberger or splitting the difference between them.

But as all concerned are quick to point out, Mr. Shultz's victories have been essentially procedural and rhetorical. He has got Mr. Reagan to make upbeat statements about the Soviet proposals and to agree to meetings.

Those are all important steps, but the substance has yet to be resolved.

What does all this mean? It means the President wants a summit meeting. He wants it this year. The Soviets have been very enthusiastic about arms control. In fact, so enthusiastic that Secretary Gorbachev has declared that there will be no summit meeting unless both sides are committed to an arms control agreement that includes his minimum terms.

What are these terms? The first has been a consistent Gorbachev absolute. It is this: The agreement must include some willingness on the part of President Reagan to limit star wars or SDI to laboratory testing for several years. Such a limit is quintessential for the Soviets to agree to a mutual reduction of offensive missiles. There may be more. Soviet agreement for a summit may also require at least some movement toward limiting, if not ending, nuclear weapons tests and a willingness for the United States to keep something like the SALT II Treaty alive in some form.

So are the superpowers any closer to an arms control agreement now with the so-called Shultz and State Department victory? The answer depends on how much President Reagan really wants that summit. So far he has made it clear that he wants the summit badly enough to soften his remarks about the Soviet Union. He has called the Soviets serious about arms control. He has given a positive and civil welcome to their arms control suggestions. He has backed a little off his earlier pronouncement of the death of SALT II. But he has not budgeed an inch on the test ban treaty. He has given nothing on the big sticking point between the two superpowers—the limits on SDI or star wars.

So what do we have? We have a President who clearly wants a summit meeting this year with Secretary Gorbachev. That summit meeting can only take place if the President makes concessions on star wars and probably on negotiating a nuclear weapons test ban treaty as well as SALT II. Will President Reagan, a lifetime foe of every arms control treaty since the dawn of the nuclear age, this all-out champion of star wars, agree to a reversal of his convictions of a lifetime to win Soviet agreement to a summit meeting? Until that decision comes we will not know who won this titantic struggle-Shultz at State or Weinberger at Defense.

Mr. President, I ask unanimous consent that the article by Leslie Gelb, to which I referred entitled "The Resurgent Shultz: How a Comeback Is Made," printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

(From the New York Times, July 21, 1986)
THE RESURGENT SHULTZ: HOW A COMEBACK IS
MADE

(By Leslie H. Gelb)

Washington, July 20.—In May, Secretary of State George P. Shultz suffered what many of his aides felt was his worst policy defeat. Against Mr. Shultz's strong advice, President Reagan went ahead on the 27th of that month and announced that the United States would no longer be bound by the signed but unratified 1979 stategic arms limitation treaty.

The battle over the treaty had been fought and lost. The internal balance of power had moved to the Pentagon. It looked to many as if arms control prospects were finished for this Administration.

Mr. Shultz himself began to muse privately about leaving, according to some acquaintances

Then, in a remarkable turnaround, Mr. Shultz started to win on arms control. The victories were not big and decisive. But they added up to a steady and unbroken streak that was capped off a few days ago by the White House announcement that there would be two meetings of arms experts with the Soviet Union, contrary to Pentagon arguments, and, to a lesser degree, by Mr. Reagan's draft response to recent Soviet arms proposals.

IN SUPPORT OF SUMMIT PROCESS

How did Mr. Shultz reverse his fortunes? By most accounts, he did it by skillful personal maneuvering, with a lot of help from the White House, with some sophisticated assists from Moscow and, last but not least, because events broke his way.

Mr. Shultz's main goal in all this, Administration sources say, is to get the summit process back on track and insure a meeting later this year between Mr. Reagan and Mikhail S. Gorbachev, the Soviet leader. That will require movement on arms control, as far as the Russians are concerned, so Mr. Shultz is not in the clear yet.

"All Shultz has accomplished in the last few weeks is to convince the President to say some positive things about arms control and hold some experts' meetings," a State Department official said. "But the most important decisions, the decisions that will determine whether or not we have a chance of reaching agreement with Moscow on arms control, are being made right now."

Those decisions, this official and others say, involve how Mr. Reagan should respond to arms proposals in Mr. Gorbachev's letter of June 21 and to a range of new Soviet nuclear arms proposals made in Geneva earlier that month. Mr. Shultz is described as not displeased with Mr. Reagan's draft response to Mr. Gorbachev; he outdid the Pentagon in most of the draft letter.

The thrust of the Soviet offers was this: If Washington agreed to limit the development and deployment of defenses against missile attacks, Moscow would agree to deep cuts in offensive forces.

But this is getting ahead of the story of George Shultz and his comeback.

Mr. Shultz had been successful for two years in persuading Mr. Reagan not to abandon the 1979 treaty. The argument was made, and accepted, principally on symbolic grounds: To discontinue informal adherence to SALT II would send a signal of Administration uninterest in arms control.

In late May, however, the magic of this

position no longer prevailed.

Perhaps the most critical factor to many participants was bureaucratic. In the previous meetings on this subject, Mr. Shultz was always opposed by Defense Secretary Caspar W. Weinberger. But he always had the backing of James A. Baker 3d in his capacity as White House chief of staff and of Robert C. McFarlane, the national security adviser.

Then the personalities change. Mr. McFarlane was replaced by Adm. John M. Poindexter, and Mr. Baker by Donald T. Regan. Both successors then sided with Mr. Weinberger, as did Mr. Baker, now Treasury Secretary. Mr. Baker's shift was reportedly to placate the Republican right wing.

They argued, and Mr. Reagan agreed, that the Administration had accused the Russians of cheating on arms treaties for six years without doing anything about it; it was time to act or be seen in Moscow as pat-

Mr. Shultz countered that abandonment of the treaty would produce sharply negative reaction among European allies and in Congress. It would also risk, he said, derailing the next summit meeting.

In defeat, Mr. Shultz made what every bureaucratic black belt knows is the critical move. "He went out and supported the President's decision wholeheartedly," a White House official commented. To the allies and anyone else who cared to hear, he called the treaty "obsolete." No one could accuse the Secretary of being a bad soldier. Then, several things happened quickly.

Then, several things happened quickly.

Mr. Shultz's dire predictions all came true:
The Europeans complained bitterly. Congress moved to put into law the treaty's cellings on nuclear forces, which the President

said he intended to exceed. And Moscow came in with a package of near-irresistible carrots and sticks, all of which strengthened the Shultz hand.

Soviet proposals in Geneva were deemed to be new and forthcoming, except by key Pentagon civilian officials. Mr. Gorbachev's letter to Mr. Reagan stated that a summit meeting would not make sense without the prospect of "concrete results" on arms control. He also proposed meetings this summer on the treaty decision and on nuclear testing. "And who could turn down a proposal to talk?" lamented a Pentagon official.

Until the last few months, Administration officials without known exception felt that Soviet diplomacy had been clumsy and self-defeating.

"The last weeks are the first indication that Dobrynin is now beginning to run the show," said William G. Hyland, editor of Foreign Affairs quarterly and an expert on Soviet-American affairs. "This has forced Mr. Reagan to come back to the issues." Mr. Hyland and Administration officials generally believe Anatoly F. Dobrynin, the former Soviet Ambassador who now heads the International Department of the Communist Party staff, knew how to put proposals in a way that was difficult to turn down outright—without looking like the guilty party.

"We just couldn't go on saying 'no' to everything," a top State Department official added.

About the same time, Mr. Shultz was said by several sources to be having some soul-searching conversations with friends in Washington and New York. He told them that the President's policies seemed more or less set. He mused that there did not appear to be enough time to achieve an arms control pact before Mr. Reagan's power waned. He praised the President and talked as if perhaps this might be the right time to leave as Secretary.

According to the sources, some of these thoughts made their way back to the White House, as Mr. Shultz might well have expected.

Mr. Reagan, on issue after issue, began siding with Mr. Shultz. Most critically, the President started muddying the waters on his decision to abandon the 1979 treaty. The new White House line was that the treaty was certainly dead but that Mr. Reagan was prepared to revive it, depending on Soviet behavior and progress in the arms talks. Then, he termed the Soviet proposals "positive" and said they might represent a "turning point."

All of this was said against the advice of Mr. Weinberger and aides, who also opposed Mr. Reagan's agreeing to have Administration experts and their Soviet counterparts meet this summer on nuclear testing and the 1979 treaty. The Pentagon people argued that there was nothing new in the Soviet proposals and that the meetings would be slippery slopes.

Officials said Mr. Shultz had found a new ally in all these decisions: Admiral Poindexter, the national security adviser.

"Poindexter's backing was essential for Shultz, but I don't know why the admiral swung around so much on these issues," a White House official said.

ROLE OF PRESIDENT HIMSELF

This official and others speculate that perhaps Mr. Reagan was the silent supporter and partner. But most guess that it was the President himself who made clear he wanted the summit meeting, which meant

progress on arms control, which meant backing Mr. Shultz.

In any event, many officials throughout the bureaucracy say Mr. Reagan's tilt is now clearly in Mr. Shultz's direction, a change from past patterns on arms control issues of either being slightly pro-Weinberger or splitting the difference between them.

But as all concerned are quick to point out, Mr. Shultz's victories have been essentially procedural and rhetorical. He has got Mr. Reagan to make upbeat statements about the Soviet proposals and to agree to meetings.

"Those are all important steps, but the substance has yet to be resolved" a senior State Department official said.

MYTH OF THE DAY-THE REAGAN ADMINISTRATION ABHORS COMMUNISM

Mr. PROXMIRE. Mr. President, ask any person what the Reagan administration thinks about communism and Communist countries and you will receive back the commonsense answer that this is the most staunch anti-Communist administration in memory. Do the facts bear this out? No. It is a myth that needs exploring.

According to a study done by the organization Free the Eagle, the Reagan administration in fiscal year 1985 alone, provided "over \$300 million in direct aid to Communist countries and assisted in the financing of an additional \$6 billion through the auspices of the World Bank and IMF."

Here is the ultimate irony: An administration which uses the most strident rhetoric in its campaign to fund freedom fighters to overthrow pro-Communist regimes and at the same time is busy handing out direct and indirect loans and grants to a number of Communist countries including Yugoslavia, the PRC, Hungary, Romania, Ethiopia, Angola, Afghanistan, Mozambique, South Yemen, and other countries according to Free the Eagle.

Perhaps the most obvious example of helping a Communist country is that of Angola. It has been the coordinated policy of the U.S. Government under the Reagan administration to provide enormous amounts of loans to that Government through the Exim bank-with Chevron/Gulf Corp. the immediate recipient and the government the ultimate benefactor. These funds generate revenues for the Angolan regime which go to pay for the Cuban troops used to combat the UNITA organization which is supported by the White House.

Now, that is called having it both ways-playing both sides-supporting your friends and enemies-hedging your bets. And it is an absolutely flawed foreign policy decision. In effect, it pits the United States against itself.

So, Mr. President, when people speak up about the anti-Communist credentials of this administration and those it employs, someone needs to point to our foreign aid program supporting Communist nations and ask why?

Mr. President, I ask unanimous consent that a news release from Free the Eagle and a U.S. Foreign Aid Report be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From: Free the Eagle, July 15, 1986] CITIZEN'S LOBBY RELEASES REPORT ON U.S. AID TO COMMUNIST COUNTRIES

Free The Eagle Citizen's Lobby today announced the release of a Free The Eagle study on the amounts of United States funds given to Communist countries. The areas covered by the report include direct and indirect aid (through such heavily U.S.funded organizations as the International Monetary Fund and the World Bank) given in fiscal year 1985, as well as total figures for EXIMBANK loans and guarantees

"We are financially supporting recognized Communist nations with notable human rights violations and which consistently oppose the U.S. internationally, at home, and in the United Nations, to the tune of over 6 billion dollars," said Free The Eagle Vice—President John C. Houston. "Al-"Although this figure reflects World Bank and IMF funds as well as direct U.S. aid, it is clear that without U.S. participation and assistance, none of these funds would be available to Communist countries.

Congress has taken the first step towards more reasonable control of U.S. foreign aid practices," continued Houston, "by passing Congressman Crane's amendment cutting off EXIMBANK dollars to about a dozen communist countries. Thanks to his leadership, the U.S. will no longer fund Marxist regimes in Africa and in Eastern Europe with EXIMBANK money.'

"Now the Soviets are going to have to pay for their own wars in nations like Angola," said Houston, "a country that has received over \$261 million in EXIMBANK funding.

The implications contained in this report are clear", concluded Houston. "1986 is a good time for the United States to stop funding its enemies.'

U.S. FOREIGN AID REPORT

In fiscal year 1985, the United States, in the course of a foreign aid program, gave over 300 million dollars in direct aid to communist countries, and assisted in the financing of an additional six billion dollars through the auspices of the World Bank and IMF.

For the purpose of this report, aid to communist countries has been divided into two categories: direct and indirect aid. Aid from the World Bank (including IBRD and IDA) and the IMF is considered indirect. Aid from EXIM and AID is considered direct. These figure do not include subsidies to these countries through Most Favored Nation status and funds received from the United Nations.

All of the figures contained in this report are those concerned with financial transactions in the 1985 fiscal year. However, due to the fact that the 1985 Annual Report for EXIM bank was unpublished at the time of this research, the numbers reflecting EXIM transactions in this report are of the 1984

EXIM financial period.
The row listed as "1981-1984 EXIM Total" shows the total amount of loans, guaran tees, and insurance each nation has received from 1981 to 1984 from EXIM bank. The row listed as "EXIM Debt Remaining" indicates the total amount of money each nation owes to EXIM and private banks guaranteed by EXIM.

ABBREVIATIONS (WITH FISCAL YEAR)

IBRD-International Bank for Reconstruction and Development (July 1, 1984 to June 30, 1985).

IDA-International Development Association (July 1, 1984 to June 30, 1985).

IMF-International Monetary Fund (May 1, 1984 to April 30, 1985).

Bank EXIM-Export-Import of United States (October 1, 1983 to September 30, 1984).

AID-Agency for International Development (September 30, 1985 to September 30, 1986)

The following page constitutes a summary of the 1985 debt as well as the total previous EXIM debt remaining.

Communist Debt

| | Of the second second |
|-------------------------|----------------------|
| 1. Yugoslavia 1 | 2,652,540,052 |
| 2. China-Mainland 1 | 2,280,375,184 |
| 3. Hungary 2 | 1,146,504,171 |
| 4. Romania ³ | 987,602,939 |
| 5. Ethiopia | 380,100,589 |
| 6. Angola | 377,622,575 |
| 7. U.S.S.R. | 358,400,694 |
| 8. Zimbabwe 4 | 334,411,182 |
| 9. Poland | 241,961,827 |
| 10. Tanzania | 131,168,639 |
| 11. Mozambique | 126,152,770 |
| 12. Vietnam | 110,805,000 |
| 13. Burkina Faso | 86,181,704 |
| 14. South Yemen 5 | 69,391,000 |
| 15. Afghanistan | 67,727,855 |
| 16. Nicaragua | 56,780,193 |
| 17. Cuba | 32,266,581 |
| 18. Laos 6 | 19,130,000 |
| 19. Seychelles | 10,297,502 |
| Total | 9,473,420,457 |
| | |

- Over \$2 billion.
- ² Over \$1 billion. ³ \$500 to \$999 million.
- \$100 to \$499 million.
- \$50 to \$99 million. 6 \$10 to \$49 million.

Note.-This constitutes a summary of the combined total of direct and indirect loans listed in U.S.

United States Aid to Communist Nations [In United States dollars]

| 1. Afghanistan: World Bank: IBRD | 0 0 44,218,000 | | |
|---|----------------------|--|--|
| Indirect aid total | 44,218,000 | | |
| Exim | 543,000 | | |
| Direct aid total | 543,000 | | |
| Combined total | 44,761,000 | | |
| 1981-84 EXIM total Exim debt remaining | 0 22,966,855 | | |
| 2. Albania: World Bank: IBRD | 0 0 | | |
| Indirect aid total | 0 | | |
| Exim | 0 | | |

| July 21, 1986 | | NGRESSIONAL RECO | | | 11000 |
|---|-------------------------|---|----------------------------|--|--|
| AID | 0 | AID | 0 | AID | 0 |
| Direct aid total Combined Total | 0 | Direct aid total Combined total | 2,228,984,000 | Direct aid total | 1,836,000 |
| 1981-84 EXIM total Exim debt remaining | 0 | 1981-84 Exim total | 125,920,000 | | |
| 3. Angola: | | Exim debt remaining | 51,391,184 | 1981-84 Exim total Exim debt remaining | 131,784,000 8,507,171 |
| World Bank: | | 8. Cuba: | | 13. Korea, North: | 17 185 |
| IBRD | 0 | World Bank: IBRD | 0 | World Bank: | |
| IDA | 0 | IDA | 0 | IBRD | 0 |
| | 0 | IMF | 0 | IDA | 0 |
| Indirect aid total | | Indirect aid total | 0 | | 0 |
| Exim | 116,225,945 | Exim | 0 | Indirect aid total | |
| | | AID | 0 | Exim | 0 |
| Direct aid total | 116,225,945 | Direct aid total | 0 | AID | |
| Combined total | 116,225,945 | Combined total | 0 | Direct aid total | 0 |
| 1981-84 Exim total | 235,846,717 | 1981-84 Exim total | 0 | Combined total | 0 |
| Exim debt remaining | 261,396,630 | Exim debt remaining | 36,266,581 | 1981-84 Exim total | 0 |
| 4. Bulgaria: | | 9. Czechoslovakia: | | Exim debt remaining | 0 |
| World Bank: IBRD | 0 | World Bank: IBRD | 0 | 14. Laos: | 7 |
| IDA | 0 | IDA | 0 | World Bank: | |
| IMF | 0 | IMF | 0 | IBRD | 0 |
| Indirect aid total | 0 | Indirect aid total | 0 | IMF | 19,130,000 |
| Exim | 0 | Exim | 0 | Indirect aid total | 19,130,000 |
| AID | 0 | AID | 0 | | 0 |
| Direct aid total | 0 | Direct aid total | 0 | Exim | 0 |
| Combined total | 0 | Combined total | 0 | Direct aid total | 0 |
| 1981-84 Exim total | 0 | = | | | 10 100 000 |
| Exim debt remaining | 0 | 1981-84 Exim total Exim debt remaining | 0 | Combined total | 19,130,000 |
| 5. Burkina Faso: World Bank: | | | | 1981-84 Exim total | 0 |
| IBRD | 0 | 10. Ethiopia: World Bank: | | Exim debt remaining = | - 0 |
| IDA | 61,900,000 | IBRD | 0 | 15. Mozambique: | |
| IMF | 12,996,000 | IDA | 166,000,000 75,921,000 | World Bank: IBRD | 0 |
| Indirect aid total | 74,896,000 | | | IDA | 45,000,000 |
| Exim | 0 | Indirect aid total | 241,921,000 | IMF | 32,940,000 |
| AID | 10,855,000 | Exim | 53,850,000 3,909,000 | Indirect aid total | 77,940,000 |
| Direct aid total | 10,855,000 | AID | | Exim | 0 |
| Combined total | 85,751,000 | Direct aid total | 57,759,000 | AID | 30,000,000 |
| 1981-84 Exim total | 0 | Combined total | 299,680,000 | Direct aid total | 30,000,000 |
| Exim debt remaining | 430,704 | 1981-84 Exim total | 63,375,000 | Combined total | 107,940,000 |
| 6. Cambodia: | A STATE OF THE PARTY OF | Exim debt remaining | 80,420,589 | Exim total | 2,074,000 |
| World Bank: IBRD | 0 | 11. Germany, East: | | Exim debt remaining | 18,212,770 |
| IDA | 0 | World Bank: IBRD | 0 | 16. Nicaragua: | ALTERNATION OF THE PARTY OF THE |
| IMF | 0 | IDA | ů o | World Bank: | |
| Indirect aid total | 0 | IMF | 0 | IBRD | 0 |
| Exim | 0 | Indirect aid total | 0 | IDA | 36,837,000 |
| AID | 0 | Exim | 0 | Indirect aid total | 36,837,000 |
| Direct aid total | 0 | AID | 0 | | 0 |
| Combined total | 0 | Direct aid total | 0 | AID | 0 |
| 1981-84 Exim total | 0 | Combined total | 0 | The state of the s | 0 |
| Exim debt remaining | 0 | 1981–84 Exim total Exim debt remaining | 0 | Direct aid total | 200000000000000000000000000000000000000 |
| 7. China, Mainland: | - | 12. Hungary: | R. W. P. B. B. | Combined total | 36,837,000 |
| World Bank: IBRD | 659,000,000 | World Bank: | | 1981-84 Exim total | 11,514 |
| IDA | 442,300,000 | IBRD | 324,700,000 | Exim debt remaining | 19,943,193 |
| IMF | 1,127,684,000 | IDAIMF | 811,461,000 | 17. Poland: | Section 1 |
| Indirect aid total | 2,228,984,000 | - | | World Bank: | |
| Exim | 0 | Exim | 1,136,161,000 1,836,000 | IDA | 0 |
| | | | | | |

| 17004 | CO | NGRESSIONAL REC | OKD—SEN |
|---|----------------------------|---|------------------------------|
| IMF | 0 | Exim debt remaining | 358,400,694 |
| Indirect aid total | 0 | 22. Vietnam: World Bank: | |
| Exim | 0 | IBRD | 0 |
| AID | 0 | IDA | 0 |
| Direct aid total | 0 | IMF | 110,805,000 |
| Combined total | 0 | Indirect aid total | 110,805,000 |
| 1981-84 Exim total | 4,000,000 | AID | 0 |
| Exim debt remaining | 241,961,827 | _ | |
| 18. Romania: World Bank: | | Direct aid total= | 0 |
| IBRD | 0 | Combined total | 110,805,000 |
| IDA | 0 | 1981-84 Exim total | 0 |
| IMF | 768,314,000 | Exim debt remaining | 0 |
| Indirect aid total | 768,314,000 | 23. Yemen, South: | |
| Exim | 0 | World Bank: IBRD | 0 |
| AID | 0 | IDA | 19,400,000 |
| Direct aid total | 0 | IMF | 49,991,000 |
| Combined total | 768,314,000 | Indirect aid total | 69,391,000 |
| 1001 04 Frim total | 191 009 500 | Exim | 0 |
| 1981-84 Exim total Exim debt remaining | 121,082,500 219,288,939 | AID | 0 |
| 19. Seychelles: | | Direct aid total | 0 |
| World Bank: IBRD | 6,200,000 | Combined total | 69,391,000 |
| IDA | 0,200,000 | 1981-84 Exim total | 0 |
| IMF | 1,618,000 | Exim debt remaining | 0 |
| Indirect aid total | 7,818,000 | 24. Yugoslavia: | 1.50 |
| Exim | 0 | World Bank: IBRD | 292,500,000 |
| AID | 2,472,000 | IDA | 292,300,000 |
| Direct aid total | 2,472,000 | IMF | 1,360,853,000 |
| Combined total | 10,290,000 | Indirect aid total | 1,653,353,000 |
| 1981-84 Exim total | 0 | Exim | 82,465,251 |
| Exim debt remaining | 7,502 | AID | 96,000 |
| 20. Tanzania: | | Direct aid total | 82,561,251 |
| World Bank: IBRD | 0 | Combined total | 1,735,914,251 |
| IDA | 45,000,000 | 1001 04 Frim total | 997 940 490 |
| IMF | 69,167,000 | 1981-84 Exim total Exim debt remaining | 227,249,430 916,625,801 |
| Indirect aid total | 114,167,000 | 25. Zimbabwe: | Cont. No. |
| Exim | 0 | World Bank: | |
| AID | 3,278,000 | IBRD | 10,000,000 |
| Direct aid total | 3,278,000 | IDAIMF | 238,040,000 |
| Combined total | 117,445,000 | Indirect aid total | 248,040,000 |
| 1981-84 Exim total | 1,738,639 | Exim | 9,380,000 |
| Exim debt remaining | 13,723,639 | AID | 36,214,000 |
| 21. U.S.S.R.: World Bank: | DOI N. D.Z. C. | Direct aid total | 45,594,000 |
| IBRD | 0 | Complete total | 293,634,000 |
| IDA | 0 | 1981-84 Exim total | 52,361,711 |
| IMF | 0 | Exim debt remaining | 40,777,182 |
| Indirect aid total | 0 | Complete Totals: | |
| Exim | 0 | World Bank: | 1 000 400 000 |
| AID | 0 | IDA | 1,292,400,000 779,600,000 |
| Direct aid total | 0 | IMF | 4,759,975,000 |
| Combined total | 0 | Total indirect aid | 6,831,975,000 |
| 1981-84 Exim total | 0 | Exim = | |
| 1001-04 Exim total | U | EAIIII | 263,757,196 |

| AID | 87,367,000 | |
|------------------|---------------|--|
| Total direct aid | 351,124,196 | |
| Total combined | 7,183,099,196 | |

1. The World Bank Annual Report 1985.

2. Annual Report 1985, International Monetary Fund.

3. 1984, 1983, 1982, 1981 Annual Reports, Export-Import Bank of the United States.

4. Agency for International Development, Congressional Presentation Fiscal Year 1987.

EXIM BANK AND ANGOLA

BACKGROUND

The United States Export-Import Bank, with Chevron/Gulf Oil Company acting as intermediary, is financing the continued foreign military presence in Angola of the Cuban and Soviet governments, and preventing the occurrence of free elections for the Angolan people.

The Marxist MPLA regime relies heavily upon oil revenues derived chiefly from Chevron/Gulf investments in the Angolan Cabinda oil fields for economic survival. These investments in turn rely upon loans from the United States Export-Import Bank, which have thus far amounted to over \$225 million.

According to the Washington Post, Chevron/Gulf oil revenues account for upwards of 82 percent of the MPLA's hard currency earnings. Western intelligence and media sources claim these earnings pay for the 35,000 Cuban, 2,100 North Korean, 3,000 East German, and 1,500 Soviet troops responsible for propping up the unpopular regime.

SOLUTION

"Since the Administration's policy toward Angola is in chaos, I think we in Congress must help to clear up the confusion."-Senator William Proxmire.

Passage of Senate Bill 2049 will end U.S. taxpayer support for the Cuban and Soviet bloc military presence in Angola by prohib-iting Exim Bank from guaranteeing, insur-ing or extending credit "until the President certifies to Congress that no Cuban, Russian, or other Soviet bloc military personnel remain in Angola."

"Chevron can choose to contribute to financing the Marxist government of Angola, but the United States taxpayer does not have to. The United States Export Import Bank should not guarantee or provide any loan to any business in Angola. We should not be contributing to Angola's hard currency reserves which pay for Cuban troops and Soviet military hardware."-Senator Mitch McConnell.

The Proxmire bill does not advocate U.S. aid to UNITA. Nor does it take sides on the issue. The Proxmire bill does ensure that no U.S. tax dollars fund the foreign military presence in Angola.

RECOGNITION OF SENATOR HEFLIN

The PRESIDING OFFICER. Under the previous order, the Senator from Alabama [Mr. HEFLIN] is recognized for not to exceed 5 minutes.

JOHN L. SLATTON, ALABAMA BROADCASTER OF THE YEAR

Mr. HEFLIN. Mr. President, I am delighted to rise today to congratulate John L. Slatton, of Haleyville, AL, who was recently chosen as the Alabama Broadcaster of the Year by the Alabama Broadcasters Association.

Throughout his career in broadcasting, which has spanned some 45 years, John Slatton has labored above all else to better his community, his State, and his Nation. He has always served the public interest with the greatest integrity, and he is regarded by his colleagues and associates with the highest esteem. He has helped to establish the high standard of excellence which exists in the broadcasting community. Furthermore, he has provided an indispensable and important service to the citizens of our State and Nation by helping to keep them informed and knowledgeable of the important issues and matters which we constantly face as a country. This service is often taken for granted, but John's outstanding concern and professionalism should not go unnoticed.

John Slatton began his career in broadcasting in the years before World War II, working in stations in Muscle Shoals, Huntsville, and Decatur, AL. After the war, he worked in Fayetteville, NC, in Bessemer, AL, and then he worked for ABC in New York. After the Korean conflict, he worked in Columbus, GA, and then later became the owner of his own stations in my State. In 1962, he served as president of the Alabama Broadcasters Association, and is currently serving on the ABA Board. As one can see, he has a tremendous amount of experience which is a primary reason for his excellence.

In addition to his many great contributions as a broadcaster, John has provided great and distinguished service to his country in two wars. During World War II, serving with the 41st Cavalry, he took part in the liberation of a Nazi concentration camp. Then, in the Korean war, he served as a division ammunition officer with the 45th Infantry Division and was decorated with a Bronze Star.

John Slatton also serves his community in many other ways. He has displayed both a natural leadership ability and a strong sense of civic duty. He active in the leadership of his church and teaches Sunday School. He has twice served as president of the Haleyville Chamber of Commerce; he has served as president of the Jaycees, the Lions Club, the PTA, and he served three terms as president of the Northwest Alabama Mental Health Association. Additionally, he was instrumental in developing the Haleyville Airport, and still serves as secretary of the airport authority.

Throughout his life, John Slatton has worked to improve and enrich the lives of the citizens of my State. For his many great contributions to his community, to his Nation, and to broadcasting in general, John Slatton is an outstanding recipient of the Ala-

bama Broadcaster of the Year Award. Such an award is a great responsibility, and I am sure that he will continue serving the public with the excellence he has demonstrated for so many years now. John Slatton should be commended for his tremendous efforts and accomplishments, for which we are, indeed, thankful.

RECOGNITION OF SENATOR MELCHER

The PRESIDING OFFICER. Under the previous order, the Senator from Montana [Mr. Melcher] is recognized for not to exceed 5 minutes.

THE THIRD STRIKE

Mr. MELCHER. Mr. President, the wheat harvest in Montana is just starting and, after 3 years of drought, our wheat farmers are quite optimistic about one phase of their operation; that is, having a bountiful harvest. Looking back over those 3 years of drought, our farmers can be very sympathetic and very understanding about the hurts and the traumas of the farmers in the Southeast who are suffering a devastating drought this year.

Mr. President, the farmers in my State or in the South or in any part of the country are all tied to their land hoping to eke out an economic return under adverse conditions. They have to watch, first of all, for Mother Nature and what the circumstances are in terms of bountiful moisture, great enough to permit them to produce a crop.

Second, they have to watch with worrisome fears about the declining prices of commodities in the United States. So they have two strikes against them. I do not know whether the average farmer in America knows that the third strike is also there, and unless something is done to change that third strike I am afraid a great number of our agricultural producers

will be simply out. That third strike

That third strike involves the policy of the U.S. Government, involves the policy of having abundant agricultural production, much of which is destined to go overseas, and then to thwart that policy, developed within the various bureaucracies of our Government, by reducing the amounts of commodities from the United States actually shipped overseas. Our export policy, in a word, stinks. It does not match the true needs of this country. We produce all this food, much more than we are going to use in the United States, and yet with this abundance we simply do not have a sensible policy on what we do with it.

Now, the farmers on the land, they may not have been to any of the ghettoes in this country where there is actual hunger and malnourishment. □ 1250

If they had the opportunity to visit those ghettoes of the poor, they would say, "Turn loose of the food. Use what we have already in Federal ownership, in Federal storage, and permit the poor, the malnourished of this country to have it."

We have all sorts of programs that are supposed to expedite that and make sure that is done, and we find now that in many circumstances where there is a food bank run by a church, a charitable organization, a charitable food bank operator, or the Salvation Army, or the senior citizens centers, there is simply a holdback, a holdback by the Department of Agriculture permitting sufficient supplies of our surplus commodities to be in these locations where the poor and the hungry might utilize them.

Of course, farmers are not thinking about a trip abroad and as they harvest their crops little do they know or little do they contemplate at that time that the very grain they are harvesting within 80 days after it leaves their fields, after it is combined and out of the spigot of the combine into trucks going into elevators, little do they know that in 80 days much of that grain will find its way around the world, and of the almost 100 countries that we ship grain to there is very few of those countries around the world that could not utilize much more of our grain commodities. Yet we have policy in the State Department and Agriculture Department that holds back; rather than giving proper attention to how much the need is we have policy that says we are holding back.

What does all of this cost us? One of the costs is storage of the Federal surplus commodity. While we used to think that it is "only" costing about \$200 million, and I put "only" in quotes, "only" \$200 million, we are advised now that this year it is going to be much higher and in the coming fiscal year we should expect something in excess of \$1 billion just to pay the Federal storage cost. Indeed some of the people in the Department of Agriculture would tell us privately that it will probably reach \$2 billion to pay the storage costs of the Federal commodities during surplus coming fiscal year.

The cost of the rest of the program will exceed \$29 billion or \$30 billion. We do not know exactly how much. But the irony of all of this is that by holding back on the exports, by holding back on adequate nutrition for the poor of this country, all that means is that in Federal storage of these commodities will cost us more in two ways. I have already mentioned the storage costs. But second, it cost the Treasury much more because the deficiency payment to farmers is made up of the

difference of what the commodity price is on the open market and what the peg price is that sets the top, the desirable price for what we would hope the market would be. That is called the target price. So the difference between the actual commodity price on the open market and the target price which is viewed as some sort of a fair price for farmers, that difference constitutes a deficiency payment to each of the farm operators and those checks from the Treasury are based on that amount.

So the farmers lose out in two ways: they lose out because there are not enough exports and the market price continues to fall. They lose out because we have tagged them now with a very high-priced farm program cost.

Mr. President, they are not the only ones who are losing out. The United States is losing out because as we allow those market prices to sag by holding back on the exports, we also cause the Treasury to have to pay out more in deficiency checks to the farm producers themselves.

Mr. President, there should be no doubt that when you have abundance of crops, it is a blessing. There should be no doubt that the policies that we have in this country that we allow to continue are an abhorrent to that blessing and those policies are ones that refuse to recognize that through Public Laws 480, 416, and other programs, where we provide food to friendly countries, that that is exactly what is needed now, needed quickly, and needed to be used effectively to halt the decline in exports of those surplus commodities from the United States and to hold the continuing lower prices for those commodities.

all candor, Mr. President, common sense should rule that we follow correct policy, utilize export opportunities that are provided to us and utilize the various programs that we now have available to us, whether it is Food for Peace, section 416, Food for Progress, or whether it is providing right here in our own country to the Salvation Army, the senior citizen centers and the charitable food organizations that are called charitable food banks the surplus commodities to the extent that they can use them for our own hungry here in the United States.

The farmers, citizens, all of the country deserves this kind of common sense application.

Thank you, Mr. President, and I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order there will now be a period for the transaction of routine morning business not to extend beyond the hour of 1:30 p.m., with statements therein limited to 5 minutes each.

Mr. CRANSTON. Mr. President, first I ask unanimous consent that I be permitted to speak on morning business for more than 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE UNITED STATES SENATE'S RESPONSIBILITY IN JUDICIAL CONFIRMATION PROCEEDINGS

Mr. CRANSTON. Mr. President, let me say as prelude to the remarks I am going to make that the distinguished Senator from Maryland [Mr. Mathias], who is the ranking Republican on the Judiciary Committee, ranking next to the chairman of that committee on the Republican side, joined me in a conversation last November or December about responsibilities of the Senate in judicial nominations.

We agreed to prepare speeches at that time on that subject and hoped to give them at the same time in the Senate on the same day. We finally completed that work after a lot of exhaustive research. It did not work out for us to speak on the same day. But he will speak sometime soon on this subject that I am going to address at this time.

I rise to speak of the responsibility the Constitution places upon each of us as U.S. Senators in judicial confirmation proceedings.

The Founding Fathers understood from hard experience the principles which underlie our liberty. And they embodied those principles in the Constitution

They also understood the temptations to which people entrusted with great power will, from time to time, yield.

So they created a system of ordered liberty, with checks and balances designed to preserve that liberty despite swings in the tide of popular emotion and despite efforts by anyone controlling one particular branch of our Government to disturb that delicate balance.

For nearly 200 years, and in the face of the most serious challenges, this constitutional system has endured.

There have been lapses. But no other system has ever been more effective than ours in protecting human freedom and individual rights.

The bedrock on which our Government rests and which is essential to our constitutional ideal is the supremacy of law.

The supremacy of law in turn rests on the existence of an independent judiciary, free from dominance by either of the other branches of Government.

History taught the framers of our Constitution—and it should teach us—that the judiciary must be coequal with the other branches. It should be subservient only to the Constitution itself—which judges are sworn to uphold.

As are we.

The independent judiciary is essential to guard the rights of individuals.

If either the executive—or the legislative branch—can encroach arbitrarily on the judiciary, the capacity of the law to protect the people will soon be in jeopardy.

In the words of Alexander Hamilton: Though individual oppression may now and then proceed from the courts of justice, the general liberty of the people can never be endangered from that quarter; I mean so long as the judiciary remains truly distinct from both the legislative and the executive. For I agree that "there is no liberty if the power of judging be not separated from the legislative and executive powers."

Judicial independence is also essential to the faithful performance of judicial duties.

Because they saw all this very clearly, the framers gave Federal judges lifetime tenure "during good behavior" and prohibited reduction of their compensation during the tenure.

They gave to the Congress—not to the President—the authority to create new courts.

And they insisted that the Senate provide "advice and consent" to Presidential appointments to the bench. Indeed, they first considered giving the Senate alone the power to appoint judges.

As Walter Dellinger, professor of law at Duke University, recounts in a "New Republic" article,

The original Virginia Plan, introduced at the Convention on May 29, 1787 provided that all judges would be appointed by the national legislature. By June 19, the Convention had decided that the whole legislature was too numerous for the appointment of judges, and lodged that power in the Senate acting alone. Attempts to confer the power on the President to the exclusion of the Senate were solidly defeated. George Mason stated that he "considered the appointment by the Executive as a dangerous prerogative. It might even give him an influence over the Judiciary Department itself." Only near the end of the Convention was it agreed to give the President any role in the selection of judges; even then the President's power to nominate was carefully balanced by requiring the concurrence of the Senate. That final language was not seen to dislodge the Senate from a critical role in the process. Gouverneur Morris phrased the final provision as one leaving to the Senate the power "to appoint judges nominated to them by the President.'

Alexander Hamilton in the Federalist Papers confirms that dividing the appointment responsibility between the President and the Senate was deliberate and would have a salutary effect on the quality of appointments. Granting the President the entire power of appointment, Hamilton argued, would,

Enable him much more effectually to establish a dangerous empire over that body [the Senate] than a mere power of nomination subject to their control.

In other words, Hamilton feared that the President, if given an exclusive appointment power, might select judges whom particular Senators desired as additional leverage to influence the votes of those Senators on other issues.

Hamilton believed that a President, faced with the possibility of a Senate rejection, would choose his nominees with greater care. But, obviously this check on Presidential power will be effective only if the President has reason to believe that the Senate is prepared to exercise its power of rejection.

The framers clearly intended to give the Senate the power and the obligation to make its own, independent judgment of whether confirmation of a judicial nomination would be in the best interest of the nation.

"By these provisions," Senator Le-Baron Bradford Colt (R.,R.I.), himself a former Federal trial and appellate judge, said on the Senate floor in 1916.

The Framers of the Constitution believed they would secure judges of high character, free from partisanship and from every form of corrupting influence, and who would devote their lives to an impartial administration of law.

Some Presidents—frustrated by court decisions with which they disagreed—have tried, in one way or another, to compromise judicial independence by "packing" the courts.

The Senate, as the framers intended, has always risen to repulse those attacks on our constitutional system.

For example, to create vacancies so as to be able to make new appointments, the Wilson administration tried to give the President discretion to force into retirement any judge over 70 years old who had served at least 10 years. This move failed because of the opposition of Senator Colt and others.

Franklin Roosevelt's attempt to expand the Supreme Court to 15 justices in hopes of securing a Court more responsive to the New Deal also died in the Senate.

And when Richard Nixon attempted to pack the Supreme Court with those he called strict constructionists, the Senate turned down two of his nominees.

Now we are faced with what appears to be a new court-packing effort.

The number of judicial appointments President Reagan will be able to make in his two terms gives him a remarkable opportunity to affect our courts for decades to come.

The Federal judiciary has been expanded from 399 to 575 district judges, and from 96 to 168 circuit judges. These vacancies, coupled with the potential for Supreme Court vacancies, mean that by the end of his Presidency, Ronald Reagan will have had the chance to appoint more than half of the entire Federal judiciary.

President Reagan will, in fact, appoint more judges than any President in history.

These judges, granted lifetime tenure, will continue to serve long after a succession of new Presidents, with new claims to a political mandate, have been elected.

I have become increasingly concerned about the quality of this administration's judicial nominees, about the criteria for their selection, and about the perfunctory way in which we in the Senate have for the most part exercised our advice and consent responsibilities under the Constitution

The President and his Attorney General have become increasingly blunt about their selection standards and their intentions for the future. They claim they are selecting only highly qualified individuals. They proclaim their devotion to the ideal of judicial independence from political interference. But the fact is—and they have made this very plain—that they have used, and they firmly intend to continue to use, narrow, ideological litmus tests to screen judicial nominees

His nominees, the President says, must "adhere to a restrained and truly judicious view" of the role of the courts under our Constitution.

On the surface, that does not sound threatening.

But I believe that, like his characterization of the "truly needy", his view of the "truly judicious" is far narrower than most people's.

The President says he intends to continue appointing "highly qualified" individuals "who understand the danger of short-circuiting the electoral process and disenfranchising the people through judicial activism."

What does Ronald Reagan mean by "highly qualified"? There are some ominous signs. James McClellan, director of the Center for Judicial Studies. a new-right think-tank whose board of directors includes two of Attorney General Meese's principal assistants, has boasted in a John Birch Society publication that he is conducting interviews "to try to find those best qualified to serve on the Supreme Court" for this administration, Mr. McClellan has expressed the startling notion that compelling States to uphold the Bill of Rights is bad constitutional law, because "civil rights", he says, "has nothing to do with liberty, but is in fact part of the Marxist agenda.'

Is an individual who holds such an extreme view really one of those helping the administration determine who is "highly qualified" to be a Federal judge?

What does the President mean by "short-circuiting the electoral proc-

Is President Reagan implying that those he selects for Federal judgeships must be willing to base their judgments on the latest election returns?

If so, his views are in direct conflict with those of Chief Justice Warren Burger—whom Richard Nixon nominated as a "strict constructionist". Chief Justice Burger recently criticized the idea that judges should somehow strive to be representative of society or that they should be selected on that basis.

Justice Burger told the students at the University of San Diego School of Law that the only thing judges should represent is "integrity."

What does the President mean by "judicial activism"? Attorney General Edwin Messe, who has become the administration's major voice on judicial appointments, has said that the policy of the administration is to cleanse the judicial system of the fruits of "judicial activism" and to resurrect the "original meaning" of constitutional provisions as "the only reliable guide to judgment" in pressing for what Meese called a Jurisprudence of Original Intention.

The Chicago Tribune easily distinguished this "fundamentalist" notion of constitutional interpretation—which the paper likened to a "search for revealed truth"—from mainstream conservatism.

"It is possible to be conservative about the Federal judiciary's role without succumbing to Mr. Meese's legal fundamentalism," the tribune editorialized:

□ 1312

The Constitution, revered as it has been by Americans, does not offer the blinding light of revealed truth. It presents supple, ambiguous advice written by some very wise people who apparently understood that only if the constitutional order adapted and maintained could it survive.

Mr. Meese's theory is a radical one.

It assumes that the intent of a disparate group of individuals 200 years ago can always be accurately ascertained. And it would apply that intent dogmatically to problems the framers could not and did not foresee. What they did know was that there were problems, waiting in the recesses of unfolding history, which were beyond their vision—and so they gave us a document which, by its very nature as a set of principles, not specific programs, would not wither with the press of events or the passage of time.

The difficulty with applying the Meese theory becomes plain when we look beyond superficial simplicities.

For example, serious constitutional scholars still debate so basic a proposition as whether the framers intended to embody English common law tradition in the first amendment's protection of free expression, or, conversely, intended to depart from it.

As Professor Dellinger points out, appointing judges "who assert that they will confine themselves simply to 'enforcing the Constitution as the framers wrote it' may seem an appealing way to avoid social and political considerations in the appointment process—but only to those who have never read the Constitution." Dellinger reminds us that:

The Framers left us no list of what is included in the "privileges and immunities" of citizens, or of the content of the "liberty" that the states may not, without "due process," infringe; they left us no definition of the concept of equality that would provide a detailed guide for determining what does and does not constitute "Equal Protection of the Laws."

Nearly all constitutional scholars—including two sitting Supreme Court Justices—have openly challenged Mr. Meese's theory.

I submit that it is a fringe notion, not a serious constitutional construct. The Attorney General, as his critics suggest, tends to draw selectively from often conflicting or ambiguous historical evidence only that which bolsters his preconceived, radical-right view of certain constitutional provisions.

Worse, his theory would make the Constitution a rigid document, denying it the very flexibility the framers clearly intended to ensure its survival as a framework for governance far into the future.

Yet Mr. Meese apparently wants to select for the Federal judiciary only those who share his far-out theory.

He denies he uses ideological litmus tests. But he admits he is seeking, for starters, nominees who believe in "the sanctity of human life"-code words for judicial applicants who share his opposition to Roe against Wade, the Supreme Court's ruling upholding a woman's right to choose an abortion under certain circumstances. Those code words conform with the courtpacking plank of the 1984 Republic platform, which called for "the appointment of judges at all levels of the judiciary who respect traditional family values and the sanctity of innocent human life."

Mr. Meese also says that the judicial view that the first amendment requires "strict [government] neutrality between religion and irreligion [is] bizarre."

Thomas Jefferson would have considered the Meese view bizarre. It is hardly consistent with the Meese appeal to the intent of the Founding Fathers—which appears to point decidedly in the opposite direction.

Jefferson, according to Dumas Malone, his Pulitzer-Prize winning biographer, believed that:

"The state should neither support nor oppose any particular form of church, but should leave all of them strictly alone."

Thomas Jefferson wrote: "It is error alone which needs the support of government. Truth can stand by itself."

Author of the Virginia Bill for Establishing Religious Freedom, Jefferson was the "grandfather" of the first amendment's pledges of free religious exercise and no establishment of religion. James Madison, who had steered Jefferson's earlier statute through the Virginia Legislature, apparently used it to craft the actual language of the first amendment.

Madison was the principal author of the Constitution itself and he vigorously maintained Jefferson's view. Both men believed that it is wrong for government to offer support to any religion in particular or to religion in general.

The Meese effort to erode constitutional guarantees does not end with this assault on the first amendment. He seems to have the entire Bill of Rights in his ideological sights.

Whether influenced by James McClellan or conjouring up the theory on his own, Mr. Meese has attacked the Supreme Court's "incorporation doctrine," which holds that the 14th amendment makes the Bill of Rights largely applicable to the States. "Nowhere else has the principle of federalism been dealt so politically violent and constitutionally suspect a blow as by the theory of incorporation," Meese has said.

Section 1 of the 14th amendment provides that:

All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of laws.

It is one thing to argue, as many did until the incorporation doctrine became settled law at least a quarter century ago, that the phrases of the 14th amendment are susceptible of more than one meaning and do not clearly determine the extent to which the drafters of the amendment intended to apply the Bill of Rights to the States.

It is quite another to argue, as Mr. Meese has, that we should ignore all the developments in our history and law—including constitutional amendments—and consult only the intent of the original Framers for constitutional guidance.

Justice John Paul Stevens, one of seven present Supreme Court Justices appointed by Republican Presidents, drily responded that no Justice of the Court in the last 60 years has questioned the proposition that the 14th amendment made the first amendment applicable to the States.

Benno C. Schmidt, Jr., former dean of Columbia Law School and now president of Yale University, believes that the Meese program is not so much designed to curb judicial excess, as to advance the agenda of the radical right, whose stereotype of the Supreme Court is best summed up by the Reverend Jerry Falwell, who predicts that:

One day Jesus is going to come and strike down all the Supreme Court rulings in one fell swoop.

The Reverend Pat Robertson, the television evangelist, apparently an aspirant to succeed President Reagan, does not want to wait for Jesus to deal with the Court:

All that is needed today to change it is a simple majority and sign [sic] into law by the President. And we would have eleven Supreme Court Justices instead of nine and possibly with a 6-5 majority of people who cared for the original intent of the Framers, we could change the whole thing! It's simple.

Meanwhile, as Mr. Meese interprets the President's policy instructions on judicial nominations and applies his own extreminst view of the Constitution, well-qualified potential nominees are being passed over. The inevitable consequence is the selection of more and more judicial nominees who lack the detachment, impartiality, and judicial temperament the framers envisioned for lifetime service on the Federal bench.

Ideological zeal and biased prejudgment of issues are the very antithesis of acceptable qualifications for the Federal bench.

The agenda of an ideological extremist—whether of the right or the left—can create a doctrinal conflict of interest fully as inappropriate as a financial conflict of interest. To be locked into an extreme and inflexible ideology is fundamentally inconsistent with the judicial responsibility to be fair and just, to be open minded and free of prejudice, and to decide cases solely on the evidence and arguments before the court and the applicable law.

We Senators must make sure that the Federal judiciary is not infected by judicial nominees carrying the virus of ideological conflict of interest, a malady ultimately fatal to our constitutional rights. Its main symptom is the inability to separate strongly held personal or political beliefs from the responsibilities of judicial decision-making.

During a previous period of Senate soul-searching over dubious judicial appointments, some excellent advice was offered by our distinguished former colleague, Clifford Case (R, NJ). "The tragedy," he said, "is that the appointment of narrow men of limited capacity will make things worse, not better. What that Court needs is not more war of doctrine, in which moderation is crushed. The Su-

preme Court today needs more reason, more understanding, more wisdom."

These are qualities that will improve almost any court in any day. And just as the President has the duty to find and nominate those who possess these qualities, Senators have an equal obligation to reject the nomination of those who lack these qualities and to keep extremists from attaining lifetime tenure on the Federal bench.

What the radical right and its agents within the administration cannot win in the court of public opinion, what they cannot enact through the legislative process, they seek to impose by judicial fiat by subverting the courts of justice.

The attempt to pack our judicial system with extremists represents a dangerous, direct attack on our system and the Constitution each of us has sworn to uphold.

Is it proper for the Senate to examine a nominee's philosophy? And, if so, how, and for what purpose?

The overwhelming weight of reasoned opinion argues that it is proper, for a variety of reasons.

Felix Frankfurter, while still a Harvard law professor, thought it odd that any nominee would expect or even desire immunity from public inspection of his views.

"Surely," he said, "the men who wield the power of life and death over political decisions of legislatures should be subjected to the most vigorous scrutiny before being given that power."

A Senator may want to seek a nominee's views to determine whether they are within a range of reasonableness, whether the nominee is willing to follow controlling law and seems fairminded and sufficiently sensitive to the temper of the times.

None of this challenges judicial independence.

On the other hand, for a Senator to make his or her vote contingent—or for a President to make nomination contingent—on how an aspirant says he will vote on future cases that may come before the courts would be a fundamental subversion of judicial independence. As our colleague, Senator Joz Biden, the ranking Democrat on the Judiciary Committee, points out, no nominee who would give the President a pledge of a vote on a future case is fit to sit on the Federal bench. The nominee would have already mortgaged his intellectual and moral integrity.

U.S. Circuit Judge Robert H. Bork, whom President Reagan appointed in 1982, before Edwin Meese became Attorney General, was asked, "To what extent do you think that, when judges are being selected, the President and the Senate know how they will approach specific constitutional issues?" He replied:

It's unfortunate if the selection process focuses in that much detail upon specific cases or issues, for two reasons. One is that you don't want to turn the process of becoming a judge into a campaign in which you make campaign promises about what you will do. It should not be a political posi-tion. And * * * as Justice Rehnquist pointed out, you may choose a judge for his views on a particular issue, and five years hence that issue will be unimportant and there will be a whole new range of issues that nobody anticipated would become important * * *. For that reason I think it's more important, when you are considering someone to become a judge, to focus upon that person's general legal philosophy and general approach to legal questions, rather than upon the outcome of the particular cases.

Judge Bork went on to point out that when a Federal appellate judge is faced with a Supreme Court precedent he regards as very wrong, his duty is to follow the precedent but to give reasons why it should be overturned, thereby creating a dialog within the judicial community.

"But it's essential," he says, "that you follow the precedent, whether you like it or not."

That is how our judicial system works.

The notion of adherence to established precedent is absolutely inconsistent with Mr. Meese's determination to pick judicial nominees committed to following him and his doctrines—not the Supreme Court—on important issues.

The plan by the President and/or his Attorney General for an ideological coup on the courts is a direct chal-

lenge to the Senate.

If the Senate fails to exercise its responsibility to curb executive excess, it becomes party to a fundamental assault on our constitutional system, a threat to our basic liberty. The Senate will be contributing to a process which Harvard constitutional scholar, Laurence Tribe of Harvard, describes as "amending the Constitution by default."

I know that many of my colleagues share my view of what is happening. But some are disinclined to interfere with executive nominations.

Some are predisposed to "give the President his nominee."

Accordingly, I decided to examine the history and scope of the Senate's obligation to advise and consent to judicial nominations through the years. I found surprisingly wide agreement.

Most Senators who have expressed themselves thoughtfully agree that federal judicial appointees are not, and should never be viewed as, part of the President's "team."

Whatever the "advice and consent" test is for administration nominees for positions in the executive branch—who serve at the President's pleasure and can be removed by the next administration—most scholars and most Senators agree that stricter standards

should be applied to lifetime judicial appointments.

Senator Robert Griffin, as Republican whip, made the distinction well during debate on the Haynsworth nomination:

Traditionally, the Senate has applied a different test with respect to nominees to the Supreme Court than . . . to those nominated by Presidents to serve in the cabinet or in the executive branch * * *. Particularly with respect to nominations for the Supreme Court, however, I do not believe * * * that the Senate is limited to accepting every nomination merely because it can't be proved that the nominee has beaten his wife, or has done this or that. I think the responsibility of the Senate is much higher than that. Under the Constitution, the President is vested with only half of the anpointing power. He nominates and the Senate confirms. Accordingly, the Senate's advise and consent responsibility is at least equal to the President's responsibility in nominating. If the judiciary is to be an independent branch * * *, it is essential that its members owe no greater indebtedness for an appointment to one particular branch of government.

Throughout our history, the Senate often has blocked judicial nominees who were deemed qualified in the narrow sense, but unwise in the broader context. The Senate has refused to confirm nearly 25 percent of Presidential Supreme Court nominations—nearly 1 in every 4. Senators have given a variety of reasons for refusing to confirm, including negative judgments on the nominee's ability, temperament, political record or philosophy.

President Theodore Roosevelt, who consistently sought highly qualified judicial nominees, recognized the wide latitude the Constitution gives to Senators. In a letter to one Senator whose recommendation for appointment to a lower Federal court Roosevelt was rejecting, he said:

It is, I trust, needless to say that I fully appreciate the right and duty of the Senate to reject or to confirm any appointment according to what its members conscientiously deem their duty to be; just as it is my business to make an appointment which I conscientiously think is a good one.

All of Theodore Roosevelt's three nominees to the High Court were confirmed.

In contrast, President Richard Nixon attempted to assert a different view of the appointment power in a letter to a Senator during consideration of the Carswell nomination:

What is centrally at issue * * * is the constitutional responsibility of the president to appoint members of the Court—and whether this responsibility can be frustrated by those who wish to substitute their own philosophy or their own subjective judgment for that of the one person entrusted by the Constitution with the power of appointment.

The Senate demonstrated its own view of its responsibility by rejecting the nomination, 45-51. Thirteen Re-

publican Senators joined thirty-eight Democrats in the vote. It was the second of Nixon's High Court nominations to be defeated.

Theodore Roosevelt's view-not Nixon's-is consistent with the intent of the framers, with the language of the Constitution, and with historical precedents.

As early as George Washington's second term, the nomination of Associate Justice John Rutledge to be Chief Justice was rejected by the Senate.

President James Madison's nomination of Alexander Wolcott to be Associate Justice was rejected by the Senate, when a majority decided he lacked the requisite legal qualifications for service on the Court.

For a variety of reasons, five of President Tyler's High Court nominees were not confirmed, and Presidents Fillmore and Grant lost three

In 1930, a Republican Senate rejected President Hoover's nomination of Judge John Parker to the Supreme Court because his discredited racial and economic views were not believed sufficiently sensitive to the temper of

Although from 1931-69, all Supreme Court nominations of four consecutive Presidents were confirmed, the Senate's responsibility remained the same. The period can be seen as a time when the Senate believed that each of the Presidents had submitted well-qualified nominations not likely to create a one-sided Supreme Court.

A look at the list of nominees during this period confirms this analysis.

SUPREME COURT NOMINATIONS, 1931-68

Franklin D Roosevelt: Harlan F. Stone, C.J. (N.Y.), Benjamin Cardoza (N.Y.), Hugo Black (Ala.), Stanley Reed (Ky), Felix Frankfurter (Mass.), William O. Douglas (Conn.), Frank Murphy (Mich.), James Byrnes (S.C.), Robert Jackson (N.Y.), Wiley Rutledge (Iowa).

Harry S. Truman: Harold Burton (Ohio), Tom Clark (Tex.), Sherman Minton (Ind.),

Fred Vinson, C.J. (Ky.).

Dwight D. Eisenhower: Earl Warren, C.J. (Calif.), John Harlan (N.Y.), William Brennan (N.J.), Charles Whittaker (Mo.), Potter Stewart (Ohio).

John F. Kennedy: Byron White (Col.), Arthur Goldberg (Ill.).

This period ended with the forced withdrawal of President Lyndon Johnson's nomination of Abe Fortas to be Chief Justice.

What is the obligation to advise and consent? The Constitution spells out no standards against which a Senator should weigh the qualifications of a potential judge. Unlike constitutionally prescribed standards for service in the House, the Senate, or the Presidency, no minimum age is specified. And, as often has been noted, a judicial nominee does not even need to be a lawyer, though no President has yet nominated a nonlawyer.

Because the Constitution gives the President the power to initiate nominations, it is inappropriate for a Senator to reject a nominee because the Senator believes a better choice may be available. Nor would the Founding Fathers approve of rejection of a judicial nominee merely because the nominee's philosophy, partisan politics, or regional origin differs from a Senator's own.

Still, the Constitution leaves each Senator free to develop his or her own criteria, and several tests have regularly recurred.

Generally, I believe that the Senate, through much of its history, has exercised its advice and consent power responsibly, more so with respect to Supreme Court nominations than with nominations to lower courts.

The broad power to consent, carrying with it the equally broad power to withhold consent, works far better than would a constitutional list of minimum qualifications. Because each Senator is free to exercise his or her own judgment on the merits of a nomination at the time it is made. Senators typically have exercised greatest scrutiny when scrutiny is most needed: that is, when the Supreme Court has become one-sided, or far out of step with the legislative or executive branches, or controversial, or when the President has tried in one way or another to pack the courts.

Each Senator-guided by conscience and judgment-must decide whether a nominee is qualified under whatever criteria that Senator chooses to apply.

But that discretion should be exercised with diligence.

As Hamilton's argument, which I alluded to earlier, suggests, the lower the standards each Senator sets, the lower is likely to be the quality of the Federal bench.

judiciary The Federal cannot achieve the judicial excellence sought by the framers if a majority of Senators vote to confirm judicial nominees who are only minimally qualified.

Many commentators have noted that a vote to confirm a Supreme Court Justice may have more lasting consequences for the Nation than any other single vote a Senator is likely to cast during the Senator's tenure.

Historically, Senators have agreed that judicial nominees to the High Court should measure up to criteria well beyond threshhold competence. They agree that the mere fact that a nominee has never been found guilty of an indictable offense or ethical violation is not sufficient to warrant confirmation.

The most widely accepted confirmation criteria Senators have used are: Intellect, wisdom, reason, understanding, distinction, or at least professional excellence, impartiality, fairness, freedom from serious prejudice. Temperance. Sensitivity. And other qualities contributing to what is generally known as judicial temperament. For nominees with prior judicial or quasijudicial service, that includes a record of wise dispensation of justice.

The same criteria should apply to nominations to the lower Federal courts. Confirmation of any nominee for lifetime tenure of the Federal bench may turn out to be a historically significant vote; yet, the Senate, while it has often focused a great deal of its attention on Supreme Court nominations, has usually deferred to the Judiciary Committee and sometimes to home State Senators the task of passing on the fitness and qualifications of other judicial nominees.

The Senate's constitutional responsibility, however, is the same in both instances. Yet, the Senate confirmed all of President Reagan's lower court nominations-269 in a row-until Mr. Sessions was rejected by the Judiciary Committee.

That is no tribute to the quality of the administration's judicial appointments, however. Since 1932, the Senate had approved, prior to the Reagan administration, 1,357 Presidential lower Federal court nominations, rejecting only 4. The statistic is very misleading, however, since it omits nominations held indefinitely in committee, withdrawals, and cases where senatorial advice dissuaded the President from a nomination prior to its formal submission.

The Constitution provides no lesser standards for nominees to the lower courts than to the Supreme Court. And the high degree of deference given to the decisions of trial court judges by appellate courts is reason enough to scrutinize all judicial appointments with a great sense of responsibility.

Although a Federal trial judge's decisions do not have the same pervasive effect as those of appellate judges or Justices of the Supreme Court, a trial judge's decisions during lifetime tensure have far more direct consequences for individual litigants.

The Judiciary Committee, however, according to a recent study by Common Cause:

Has typically engaged in only a perfunctory review of [judicial] nominees. It has devoted little energy and few resources to the task of judicial screening. The Committee has relied heavily on the American Bar Association's simple categorical rating of a nominee, although ABA usually provides no indication of the scope of its investigation or the basis for its evaluation. The Committee's hearings on judicial nominees have been brief, poorly attended and frequently scheduled soon after the nomination, with little information available. They are, as one Committee staffer said, "As pro forma as pro forma can be.

The problem of inadequate committee effort is compounded when a politicized Justice Department asks for and the FBI performs only perfunctory investigations of the nominee.

To make matters worse, while members of the bench and bar readily comment when they feel positive about a nominee, they are inclined to remain silent when their observations about the nominee are negative. This is unfortunate but understandable, since the nominee already is, or soon may be, in a position to exercise very real power in very real cases.

Finally, most Senators hesitate to challenge the fitness of any individual for judicial office. This is especially true when no basis of challenge is specifically established in committee.

But to carry out the responsibility the Founding Fathers gave us, we must consider all judicial nominations with great care.

All of us—not just Senators who serve on the Judiciary Committee but all of us—bear a heavy responsibility.

There is a vast potential for abuse if we confirm as Federal judges people who lack appropriate qualifications.

When the President uses considered and balanced judgment in his selections for the bench, a lack of serious advice and consent by the Senate may not cause particular harm, though the perilous precedent of inattention is set.

But when an administration openly sets out to use its appointive power for political—or worse still—ideological patronage, the danger is great.

Lasting damage may be done to the

judiciary.

In my judgment, until the Judiciary Committee rejected the Sessions nomination, the Senate had not in recent years been carrying out its advice and consent responsibility with sufficient care. That disserves the Nation.

Given the evidence that Mr. Meese is causing the selection of more and more judicial nominees for their extreme ideological views, we face a real threat to the very delicately balanced structure that preserves our liberty.

We in the Senate must carry out our duty much more thoroughly and much

more thoughtfully.

Senator Bob Dole, now our majority leader, said way back in 1970, as a member of the Judiciary Committee:

It is time, perhaps, that new standards be established and that the Judiciary Committee have extensive hearings with respect to all Court, nominations * * *. If we intend to improve the Judiciary, it will take additional effort by the Judiciary Committee.

That effort is only just beginning.

It is high time.

Specifically, I suggest:

First. The committee's investigative staff should be increased. It should function on a cooperative, bipartisan basis, to assure thorough examination of the credentials of each nominee.

Second. The committee should request from the American Bar Association, and from each State bar by

which the nominee is licensed, their recommendations on the nomination, summaries of the bases for their recommendations, and summaries of any dissents to the recommendations.

Third. The Senate should require from the committee a written report on all judicial nominations setting forth, with respect to any contested nominee, (a) the transcript of committee proceedings, (b) submissions from outside organizations, (c) the recommendation of the majority of the committee, and (d) any dissenting views.

Fourth. The Judiciary Committee should get reports on each judicial nominee from legal scholars and teachers of law. The committee could implement this through the Society of American Law Teachers or the Association of American Law Schools.

Fifth. Senators should establish bipartisan Federal Judicial Selection Commissions in their States to screen potential judicial candidates from their States. That's what we once did in California, and some Senators still do.

Sixth. Senators should agree to submit to the White House only recommendations based on these screenings.

Seventh. These judicial selection commissions should have the right to offer comments to the Judiciary Committee on all Federal judicial nominations from their areas.

Recently the committee agreed to slow slightly the pace of consideration of judicial nominations. While this is a step in the right direction, it is only the beginning of the more far-reaching changes we need.

In closing, let me affirm my belief that this is not a partisan issue.

Fifty years ago, a Democratic President, Franklin Roosevelt, threatened our constitutional structure with a court-packing scheme.

But any President of any party may succumb to this temptation.

Today, it is a Republican President whose judicial nominations raise the threat.

A Senate dominated by Democrats refused to yield to Roosevelt by a margin of 3 to 1.

Now, in a very real sense, it is the turn of my colleagues on the other side of the aisle.

Will more than a handful of you join in saying "no" to Attorney General Meese and President Reagan when they seek to recreate the judiciary in the image and likeness of narrow ideological preconceptions?

For our part, on our side of the aisle, we must avoid the dangers of opposition for its own sake, although I submit that that has hardly been a recent problem in the area of judicial nominees.

All of us here have a common obligation. On some issues, we are not and should not be partisans, whether Republicans or Democrats. On the issue of judicial selection we should be, we must be, first of all Senators—Senators whose central obligation is not to serve our party, but to protect the Constitution we are sworn to uphold.

Here, as much or more than anywhere, we must heed the warning of Justice Frankfurter that "history, too, has its claims."

□ 1335

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SIMPSON). The Clerk will call the roll.

The bill clerk proceeded to call the

□ 1350

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Boschwitz). Without objection it is so ordered.

□ 1400

HONOLULU'S ELECTRIC LIGHT CENTENNIAL

Mr. MATSUNAGA. Mr. President, it is well-established that Hawaii is the Nation's renewable energy laboratory of the Pacific-by virtue of the range of alternative energy sources under development or in use there. What may not be as well known, however, is that in assuming such a role for our country, Hawaii is observing a tradition whose origins date back to its days as a monarchy under the reign of King David Kalakaua. These thoughts come to mind today because this day, July 21, 1986, marks the centennial of the first electric light turned on in Honolulu, the capital city of Hawaii.

This milestone will be celebrated this evening at Iolani Palace, where years ago King Kalakaua turned on the switch at the first public demonstration of electric light in Honolulu. The significance of this feat, undertaken in a small island kingdom situated in the middle of the world's vastest ocean, can be appreciated when one considers that it occurred only 7 years after Thomas Edison first introduced to the world the incandescent lightbulb in 1879. Two years thereafter in 1881, Claus Spreckels, the great American sugar baron, employed Edison's invention at his Maui sugar mill, but it remained for King Kalakaua to demonstrate the new technology to his subjects for the first time in Honolulu.

So impressive was the king's demonstration at his recently constructed royal palace that within 4 short years local capital had been raised, a royal charter granted, machinery obtained, facilities constructed, and Hawaiian Electric Co., Hawaii's first electric utility, was in business. Today this organi-

zation continues to serve the power needs of the island of Oahu, while its subsidiaries afford similar service on the islands of Maui and Hawaii, the "Big Island."

Mr. President, nationally the electric power industry, subject as it is to State utility regulation, is widely considered, rightly or not, as a conservative business lacking in innovation and foresight. This stereotype hardly applies to the 96-year-old Hawaiian Electric organization under the dynamic leadership of Chairman C. Dudley Pratt, Jr., and President Harwood D. Williamson. In order to assume the risks inherent in pioneering new energy technologies, this public utility organized a parent holding company with a renewable systems subsidiary separate and apart from its original utility subsidiary. In this manner, Hawaiian Electric is able to explore new energy options for the future outside of the constraints of its utility rate base. Hawaiian Electric Renewable Systems, Inc., now taps the wind regimes of Kahuku point with a windfarm of 15 turbines, each with a generating capacity of 600 kilowatts. Soon to come on line will be a 3,200 kilowatt wind turbine with five times this generating capacity. The MOD-5B Boeing wind turbine, a demonstration project of the Department of Energy, is expected to set new standards in wind energy conversion by generating 15 million kilowatt hours of electricity a year, at a savings of 25,000 barrels of fuel oil.

The oil crises of the 1970's dramatized Hawaii's dependence on fuel oil for the State's electric power needs and brought a new urgency to the quest for renewable sources of energy. Today Hawaiian Electric's Big Island subsidiary receives the benefits of geothermal power as well as cogenerated sugar mill power fueled by biomass residue from the milling process. On Maui its utility, in addition to this biomass power, receives cogenerated wind power from "windfarmers" operating under the cogeneration provision of PURPA, the Public Utilities Regulatory Policy Act of 1978, and Federal energy tax incentives. Under exploration is the prospect of undersea cable transmission of Big Island geothermal power to other islands of the chain-Maui and eventually Oahu—thus bringing to the Aloha State for the first time the advantages of a statewide electric power grid.

This prospect lies in the future, Mr. President. Tonight the pioneering of the past will be recalled at the Iolani Palace Coronation Pavilion, where the Royal Hawaiian Band, which performed at Kalakaua's electric light inaugural a century ago, will salute Edison's invention once again in a musical extravaganza which will also feature the Hawaiian Electric Employees' Glee musician-composer Palani Vaughan and The King's Own players,

and the dance artistry of Frank Kawaikapu Hewett, Hawaii's premier male interpreter of the hula. It will be a night of nostalgia-made all the more enjoyable by the promise for tomorrow being engineered by Hawaii's present-day energy pioneers.

DEATH OF ADMIRAL THE HYMAN G. RICKOVER U.S.N. (RETIRED)

Mr. THURMOND. Mr. President, I rise to pay tribute to the father of the nuclear Navy, Adm. Hyman G. Rickover, who died recently at the age of 86. A few lines in the history books will never be enough to measure the contribution that Admiral Rickover made to the security of the United States. His career, which spanned 63 years of military service, was marked by devotion to his Nation and a com-

mitment to excellence.

I had the pleasure of working with Admiral Rickover for more than three decades on issues ranging from the Navy's nuclear reactor program to efforts to improve the educational standards in our public schools. Admiral Rickover was a man of vision, but unlike many men throughout history who had great vision, he was able through sheer tenacity and willpower to bring about great change. He saw early on the revolutionary change that nuclear power could make in our national security. On August 6, 1945, in the skies over Hiroshima, one of his Annapolis classmates spent a few moments arming an atomic bomb that would help end a war. Shortly thereafter, Admiral Rickover would begin what can only be called a second naval career lasting more than three decades in which he would help harness that same energy for peaceful purposes. His tour of duty at the helm of the nuclear reactors program brought him under the service of seven Presidents. One of those Presidents, Jimmy Carter, had once served under Admiral Rickover while in the Navy. Admiral Rickover not only designed the nuclear Navy, he built it. Because of the force of his leadership, the quality of our nuclear ships and submarines is unmatched.

The accomplishment of Admiral Rickover and the decorations he received are legion. He was a distinguished author, a professional naval officer and a patriot whose devotion to his country have earned him a unique place in our history.

Mr. President, it is ironic that Admiral Rickover's death should come so soon after the Fourth of July celebration reopening the Statue of Liberty because he personified what Miss Liberty has come to mean for millions of immigrants who have come to our country seeking a better life. At the age of 6, Admiral Rickover and his parents came to the United States

from what was then czarist Russia. They settled in Chicago, and it was there that the future admiral won an appointment to the U.S. Naval Academy. An immigrant tailor's son went on to become one of the most influential naval officers of this century. In no other nation on Earth would this have been possible.

Mr. President, as we all go to sleep tonight, it is fitting that we remember one of our immigrant sons who has entered his eternal rest. The peace that we enjoy is protected to a large degree by the invulnerable leg of our nuclear triad, the ballistic missile submarines that patrol the oceans of the world. The quality and safety of these submarines is a measure of his commitment to excellence and his devotion to

I, as well as all of my colleagues who knew Admiral Rickover, will miss his wise counsel and are forever grateful for his contributions to our Nation. I ask unanimous consent that two newspaper articles concerning Admiral Rickover's life and death and the text of the eulogy delivered by Adm. James D. Watkins at the memorial service for Admiral Rickover be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 9, 1986] ADM. HYMAN RICKOVER WAS TENACIOUS VISIONARY

(By Bart Barnes)

Adm. Hyman C. Rickover, who died yesterday at the age of 86, became one of the most influential military figures of the post-World War II era not only because he conceived and engineered the submarine nuclear technology that revolutionized the Navy. but because of a seemingly inexhaustible energy and flamboyance that mobilized broad public and congressional support for his programs.

Both his technological vision, and the way he often bulldozed his way through bureaucratic roadblocks to pursue it, were recalled

by his colleagues and admirers yesterday. President Reagan issued a statement in which he said Adm. Rickover's "commitment to excellence and uncompromising devotion to duty were an integral part of American life for a generation. . . . He was also a revered teacher who instilled in his pupils a desire to strive for the highest achievements. Countless thousands of sailors benefited from the skill and expertise of this talented public servant. Though he worked on tools of defense, he was a man of peace.

Navy Secretary John F. Lehman Jr. said yesterday, "Adm. Rickover took the concept of nuclear power from an idea to the present reality of more than 150 U.S. naval ships under nuclear power, with a record of 3,000 ship years of accident-free operations. All Americans owe him a debt of gratitude."

Not only did Adm. Rickover preside over the building of the nuclear Navy, but beginning with the first of its ships, the submarine Nautilus, which was launched in January of 1954, he also personally selected the officers and enlisted men who would serve in it, and he supervised their training.

An engineer and administrator rather than a sailor, Adm. Rickover was a naval officer who spent almost all of his career in offices and laboratories and almost none of it at sea. A taskmaster who was as hard on himself as he was on his subordinates, he could be harsh and vindictive in private and he could behave the same way on national television. He held high positions both in the old Atomic Energy Commission and the Navy's Bureau of Ships.

Yet he became a symbol of excellence. This gave him a level of popular acclaim and celebrity that was rarely equaled even by the swashbucklers among his military contemporaries. And he was capable of expressions of tenderness and caring. When the nuclear submarine Thresher sank 220 miles east of Cape Cod on April 10, 1963, he sent handwritten notes of sympathy to the wives and parents of all 129 men who died.

Former president Jimmy Carter, who served under him, said in his campaign biography "Why Not the Best?" that next to his parents, Adm. Rickover had influenced his life more than anyone else. In a statement issued yesterday in Chicago, where he was doing volunteer construction work at a low-income housing project, Carter said, "As president I realize anew his great contributions to our nation's preparedness and to world peace."

Lyndon Johnson, when he was majority leader of the Senate, called Adm. Rickover

"the symbol of the Can Do Man."

As a scientist, the admiral became a critic of U.S. education in general, and scientific training in particular. In July 1959, he accompanied Richard M. Nixon, then the vice president, to Russia. He later used the trip as a springboard to campaign for more rigorous schooling. In testimony before Congress, in books and in speeches, he assailed education in this country as soft, dominated by "progressives," wasteful, and inferior to education in Europe, including Russia.

As a high school student, Adm. Rickover worked part time delivering telegrams for Western Union, and one of the offices he visited regularly was that of Adolph Joachim Sabath, a Democratic congressman from Chicago who, like the future admiral, was a Jewish immigrant from Europe. It was Sabath who recommended the youth for appointment to the Naval Academy at Annapolis in 1918. The two kept in touch during the remainder of Sabath's congressional service, which ended with his death in 1952.

Adm. Rickover was one of only a handful of Jewish midshipmen at the Naval Academy, some of whom were the targets of an uncommonly fierce brand of anti-Semitism. More than 60 years later, Adm. Rickover would recall on CBS television's "60 Minutes" that he received more than his share of hazing "because I was Jewish."

In a class of 538, Adm. Rickover graduated 106th, and he entered a peacetime Navy that was cutting back to such a degree that about one-third of his classmates failed to

receive commissions.

Abrasive though Adm. Rickover was, many, like Carter, were proud to say they had worked for him. And his abilities were such that he was greatly admired on Capitol Hill. In 1953, when he was passed over for promotion to admiral and faced with retirement, Congress intervened and the Navy gave him flag rank.

In his later years, Adm. Rickover fought a series of protracted battles with defense contractors, whom he accused of failing to

keep contractual obligations and trying to cheat the government.

However, in 1985, three years after he retired, he was censured by the Navy for having accepted more than \$68,000 in gifts over the years from defense contractors, the bulk of it from General Dynamics Corp. Adm. Rickover defended his actions, saying he gave most of the gifts to supporters of the nuclear Nayv—including presidents and members of Congress—and insisting that no gift ever affected any of his decisions.

Hyman George Rickover was born Jan. 27, 1900, the son of a tailor, in the village of Makow, about 50 miles north of Warsaw, in what was then a part of Czarist Russia. He came to the United States when he was 6.

and he was reared in Chicago.

During a 63-year career that ended with his forced retirement in 1982, Adm. Rickover regularly flouted Navy tradition. He rarely wore his uniform, he called the U.S. Naval Academy at Annapolis a "lousy boys' school", and, for the most part, he shunned social contact with his fellow officers. He once said that the greatest "single contribution to improved military efficiency" would be "eliminating 40 percent of the jobs at the Pentagon."

His interviews with officers who sought to serve under him were legendary. He called Adm. Elmo R. Zumwalt Jr., who later would become chief of naval operations, a "stupid jerk" when Zumwalt was under consideration for a nuclear assignment. Other candidates were sometimes forced to sit during the interviews in chairs with six inches

sawed off the front legs.

In 1927, Adm. Rickover returned to Annapolis for a year of advanced study in electrical engineering and then spent another year of postgraduate study at Columbia University. While there, he met Ruth Masters, a native Washingtonian who was doing graduate study in international law. They were married in 1931.

Adm. Rickover's only sea command came in 1937, after assignments aboard the battle-ships California and New Mexico, when he was named captain of the Finch, a 188-foot mine sweeper on the China station. Japan and China were already at war and during the four months of Adm. Rickover's command the Finch spent most of its time at anchor in the harbor at Shanghai or in ferrying U.S. marines up and down the Yangtze River.

He asked for engineering duty after that, and during most of World War II he was ashore directing the electrical section of the Navy's Bureau of Ships. In the final months of the conflict he was posted to Okinawa to

manage a ship repair base.

When the war ended, Adm. Rickover was assigned to supervise the mothballing of ships on the West Coast. With the Navy once again cutting back to adjust to peacetime conditions the prospects for further advancement appeared dim.

But the Navy was just beginning to investigate the possibility of nuclear-powered submarines and other ships. A team of naval officers and civilians was being assembled for assignment to Oak Ridge Tenn., to observe the work being done on nuclear reactors there. In 1946, Adm. Rickover received orders to join them.

Two years later, he was named to head a joint Navy-Atomic Energy Commission program to develop the first Naval nuclear propulsion system. He became head of the Naval Reactors Branch at the AEC and assistant chief for nuclear propulsion at the Navy's Bureau of Ships, and over the years he achieved immense power at each agency.

Under Adm. Rickover the group developed a land-based prototype of a nuclear submarine propulsion system, and in 1953 it ran at full power continuously for 66 days, enough to have carried a ship twice around the world without refueling. The Nautilus was launched in 1954 and put to sea a year after that.

It traveled 62,500 miles on its first nuclear core before refueling for the first time in 1957. The Nautilus became the first submarine to pass under the North Pole's icecap in 1958, and in 1960 another nuclear submarine, the Triton, became the first boat to circumnavigate the globe under water.

It was during this period that Congress saved then-Capt. Rickover from retirement. When it became known in 1953 that he had been passed over a second time for promotion to rear admiral, Rep. Sidney Yates (D-III.) demanded a congressional investigation. He charged that failure to grant the promotion reflected a patten of discrimination against naval engineers that was hurting morale "to a most disturbing extent."

The Senate Armed Services Committee delayed action on the promotions of 39 other captains to rear admiral until the Navy, at the direction of Navy Secretary Robert B. Anderson, convened a special selection board specifically to promote a captain with a background in engineering and nuclear propulsion. There was only one officer who fit that description.

Adm. Rickover was promoted to vice admiral in 1958 and to admiral in 1973. His influence in Congress only increased after the 1953 promotion controversy. He was award-

ed the Congressional Gold Medal.

That award was made not only for Adm. Rickover's work in the nuclear Navy. It also praised him for directing the scientific, technical and industrial team that developed the pressurized water reactor at Shippingport, Pa., which supplied electricity to the city of Pittsburgh and also served as a laboratory for much of the technology that went into other nuclear power plants.

Within the Navy, the principle of nuclear propulsion was not long confined to submarines. Three nuclear powered surface ships, the aircraft carrier Enterprise, the guided missile cruiser Long Beach and the destroyer Bainbridge, all cruised around the world without refueling in a demonstration aimed at promoting the applicability of nuclear power to the surface fleet—and at the same time further expanding Adm. Rickover's sphere of influence.

It was during the process of selecting the men who would serve aboard the nuclear ships that Adm. Rickover came to the conclusion that many had been poorly educated. He wrote three books critical of American education and, to the dismay of the corps of professional educators, held himself out to the media as an expert on the subject.

In a 1958 interview with Edward R. Murrow on CBS television, Adm. Rickover castigated Murrow for asking "stupid questions" about education in America. "The trouble with you is that you want easy answers, but you don't know the proper questions." said Adm. Rickover.

Despite the fact that he trained thousands of officers for service aboard nuclear-powered ships, Adm. Rickover never made peace with the Navy establishment. He thought its rules were silly and its traditions a waste of time. "We never had a book of Navy regulations in my office," he said on "60 Minutes" in December of 1984. "One

time some guy brought it in and I told him to get the hell out and burn it."

The Navy reciprocated. In 1958, it left his name off a guest list for a White House reception after the Nautilius' voyage under the polar icecap. There was such a public outcry that the secretary of the Navy apologized personally. In 1982, Navy Secretary Lehman ordered him into restirement, citing "actuarial realities" as the reason.

In his farewell appearance before Congress, Adm. Rickover warned that the arms race had become so out of control that the human race was likely to destroy itself in a nuclear war. "I'm not proud of the part I played in it," he said, adding that he considered his nuclear fleet a "necessary evil." Three former presidents, Gerald Ford, Richard Nixon and Carter, attended his retirement testimonial dinner.

Adm. Rickover's first wife died in 1972.

In 1974 he married Eleanor Ann Bednowicz, a Navy nurse, who survives him. He also is survived by a son by his first marriage, Robert Masters Rickover.

[From the New York Times, July 9, 1986] RICKOVER, FATHER OF NUCLEAR NAVY, DIES AT 86

(By John W. Finney)

Washington, July 8—Adm. Hyman G. Rickover, the crusty and outspoken naval officer who became the father of the nuclear Navy, died this morning at his home in Arlington, Va. He was 86 years old.

The admiral served as an officer for 63 years, longer than any other naval officer in

American history.

In his career Admiral Rickover generated controversy on all sides. He attacked Naval bureaucracy, ignored red tape, lacerated those he considered stupid, bullied subordinates and assailed the country's educational system. And he achieved, in the production of the nuclear-powered submarine in the early 1950's what a former Secretary of the Navy, Dan Kimball, called "the most important piece of development work in the history of the Navy."

HE WAS INTENT ON DOING HIS JOB

Hyman George Rickover cared little for protocol, tradition or what other people thought of him, so long as he could do his job. He was cordially detested by his ememies, and even his friends admitted that his abrasive personality made him far from a lovable old sea dog.

Admiral Rickover was not considered "Navy" by other admirals. Despite his achievement, despite the support of people in high civilian places, the Navy nearly succeeded in forcing his retirement as a captain by passing him over for promotion to rear admiral.

Even after his promotion he was pointedly snubbed on a number of occasions. Admiral Rickover always insisted that his difficulties with the Navy arose from fighting "stuffed shirts" who were against anyone with new ideas.

He was rarely awed. Once a Congressman asked him if he had prepared for hearings. "Yes," Admiral Rickover said. "I shaved and

put on a clean shirt."

In later years, however, Admiral Rickover came to be accepted by his fellow admirals, particularly since nuclear power gave a new global reach to aircraft carriers. Aside from the nuclear ships now sailing the seas, one of the lasting legacies will be a new generation of naval officers trained with the Rickover emphasis on details and quality control.

President Reagan said in a statement that Admiral Rickover's "commitment to excellence and uncompromising devotion to duty were an integral part of American life for a generation." Calling the admiral "a revered teacher" and "a talented public servant," Mr. Reagan said, "Though he worked on tools of defense, he was a man of peace."

"It is particularly poignant that his death should occur immediately following a weekend in which we celebrated the achievements of those Americans who came to our shores as immigrants," Mr. Reagan said. "Few among them have had as distinguished a career as Admiral Rickover or contributed more to the maintenance of our freedom."

TRIBUTE FROM CARTER

Former President Jimmy Carter, who served under Admiral Rickover as a naval officer, issued a tribute in Chicago where he was doing voluntary carpentry. Admiral Rickover "deplored nuclear power's use for destruction and, as a pioneer, was responsible for its use for peaceful purposes," Mr. Carter said. "A superb engineer, his record for careful design, installation and operation of nuclear power plants in ships and on shore has set an example of safety which can never be surpassed."

The Secretary of the Navy, John F. Lehman, Jr., who ordered Admiral Rickover retired against his wishes in 1982, said at a news conference that Admiral Rickover "made a contribution in bringing the concept of nuclear power from a mere idea to the reality of more than 150 naval ships today steaming under nuclear power."

Mr. Lehman, who censured Admiral Rickover in 1985 for accepting gratuities from General Dynamics, the submarine builder with which admiral had quarrelled for years, said he had "had some very sporty exchanges with Admiral Rickover." But he added, "He was a formidable intellectual adversary on any issue."

The idea of the nuclear-powered submarine did not originate with Admiral Rickover, who was an engineer and not a scientist. But he was responsible for the design and production of the world's first nuclearpowered engines and the development of the Nautilus, the world's first nuclear-propelled submarine.

He was also responsible for the establishment of the first large-scale all-civilian atomic power plant, at Shippingport, Pa. The plant supplies power for residents of Pittsburgh.

IDEAS ABOUT NUCLEAR POWER

It was in the years just after World War II that Admiral Rickover, than a captain with a master's degree in electrical engineering, became convinced that the Navy had to have nuclear-powered ships and had to begin with submarines.

He began formulating these ideas after he was assigned in 1946 to study atomic energy in Oak Ridge, Tenn., a site of the Manhattan Project to develop the atomic bomb in World War II.

The Navy was not enthusiastic about the captain's ideas about atomic submarines. Captain Rickover was called back to Washington and given an atomic energy advisory post. His office was a former women's lounge.

Characteristically, he bypassed channels and went directly to Adm. Chester W. Nimitz, the Chief of Naval Operations, to enlist his support for the atomic submarine. Admiral Nimitz, a former submariner, approved the idea, and Captain Rickover became head of the new Nuclear Power Division of the Bureau of Ships.

In 1949 he accomplished what became a classic example of maneuvering against red tape. The Atomic Energy Commission was persuaded to create a Reactor Development Division and within it a Naval Reactors Branch. To head the branch it came up with Captain Rickover.

Wearing both hats, the captain sometimes wrote letters to himself asking for certain things; he would then answer the letters in the affirmative. Thus there was virtually always agreement between the Navy and the Atomic Energy Commission.

CAREER IS THREATENED

In July 1951, Captain Rickover was passed over for promotion to admiral by a Navy selection board. The next year he was passed over again, despite appeals from the Secretary of the Navy, the Atomic Energy Commission and some admirals.

In Navy practice, an officer who has been passed over twice is generally forced to retire, and it seemed that his career was over. But newspapers, the Senate Armed Services Committee and others raised such a furor that another board was convened with tacit orders to promote Captain Rickover.

The Navy's official explanation for its reluctance was that he was too much of a specialist to meet the qualifications of a general flag officer. Underneath, however, was the fact that he was "not Navy" by reason of his unorthodox methods and his tongue.

Stories of Admiral Rickover's propensity for stepping on other people's toes and of his caustic tongue are legion. On Okinawa in World War II, he placed a Navy lieutenant under the command of an enlisted man for a certain job because he thought the enlisted man could do it better. Eventually, the admiral had to reverse the chain of command to placate his superiors.

When reporters asked him questions he thought were stupid, he would not equivocate. "That's a stupid question," he would

He would horrify other Navy officers by appearing in civilian clothes to testify at Congressional hearings.

Even after his promotion, Admiral Rickover received a number of snubs. For instance, when the commanding officer of the Nautilus was decorated by President Eisenhower in 1958, Admiral Rickover was not in-

His military philosophy was, "The more you sweat in peace, the less you bleed in war."

The future admiral was born in Russian Poland on Jan. 27, 1900. When he was 4 years old, his parents joined the wave of Jewish refugees emigrating to the United States. They settled in Chicago, where the father was a tailor.

The youth was a delivery boy, a Western Union messenger and an intense student. He got an appointment to the United States Naval Academy not so much because he loved the sea as because the education was free and his family could not afford tuition.

He graduated in 1922 in the top quarter of his class after four years of grind and little or no social life. He returned to the academy five years later to study electrical engineering and subsequently received a master's degree in electrical engineering at Columbia University.

He served aboard submarines from late 1929 to mid-1933. After duty on the battleship New Mexico he had his only seagoing command, in Asian waters, as skipper of the minesweeper Finch from June 1937 to May 1939. In World War II he served as head of the electrical section of the Bureau of Ships.

IDEAS ABOUT EDUCATION

In later years Admiral Rickover was to develop a reputation for strong opinions, not only about nuclear submarines but also about education.

He was an enemy of progressive schooling in civilian life, and he once called for the abolition of the service academies if steps were not taken to improve their teaching of engineering.

Admiral Rickover repeatedly warned that the country needed a committee of influential people to propose standards and goals for education.

He called for overhauling the American educational system, with increased emphasis on technological and science courses and special training for gifted students. "We waste the best years of our children in the name of democracy and of the sacred comprehensive school," he once said.

MEDAL FROM PRESIDENT

In 1980, President Carter presented the Medal of Freedom to Admiral Rickover. On that occasion the President said, "With the exception of my father, no other person has had such a profound impact on my life."

The next year was to be a turning point for the four-star admiral. At 81 years of age, he made it clear that he had no intention of retiring. As a result of a special act of Congress, he had remained on active duty two decades beyond the time when most senior admiral retire. Under President Carter he would have had little trouble obtaining another waiver to remain on active duty. But when the Reagan Administration took office, battle lines were drawn.

"A LIFETIME COMMITMENT TO TEACHING US EXCELLENCE"

(Eulogy by James D. Watkins)

It was a simple statement of Voltaire's which he used to capture the essence of a purpose of life—"not to be occupied, and not to exist, are one and the same thing."

And, I can think of no man who better epitomized that tough standard, for Admiral Rickover was occupied. He was a unique individual who accomplished great deeds through hard work and struggle, and thereby gained respect of a nation and the world. He was an original thinker who dared to peer beyond boundaries set by others, and therefore accomplish that, about which, others only dreamed. This is the special American, naval professional, visionary, intellectual, scientist, iconoclast and most importantly, teacher—Hyman George Rickover—whose life and accomplishments we celebrate today.

The Admiral explained that a purpose in life was "to work, to create, to excel and to be concerned about the world and its affairs." He practiced what he preached—and so he excelled beyond expectations. He accomplished within a lifetime what others would declare impossible.

How does one, in a few minutes, sum up such a unique naval career, spanning six decades? It would be so easy to miss the mark, for example, to just point out that Admiral Rickover was father of peaceful use of nuclear energy in the submarine; or that the fleet of nuclear vessels he first imagined, and then put to sea, are currently underway in every ocean and sea on the planet. It would, likewise, be easy to simply

note that more than 150 U.S. naval combatant ships are nuclear-powered today, and that they have achieved an amazing safety record of more than 3,000 ship-years of accident-free operations.

Yet, while these biographical bits and pieces are surely part of the record of a special man whose career is legend, they hardly explain the true essence of his character. In fact, to the uninformed, the outsider, the too-frequent superficial critic, it was often easy to fail to grasp the significance of what this man did for Navy and Nation; it was easy to miss the compassion of a man who cared so much for his people, that he penned personal notes to each and every family who lost a loved one aboard Thresher after she was lost. It was easy to misconstrue his management techniques, a style seldom criticized by those intimately familiar with the admiral, his programs, and his

teaching philosophy.

Of course, I speak from personal experience. For I was lucky enough to have been an apprentice under this master. Here, I am hardly alone—the genius of Admiral Rickover touched military and civilian; active duty and retired. His admirers and students come from ranks of the former Atomic Energy Commission and naval reactors directorate; from White House and both Houses of Congress; from the Nation's scientific and engineering communities; from foundations dedicated to the proper education and development of our Nation's youth.

What made this man so special? A good place to start would be to explain his broad span of talents and skills; for he was truly a modern renaissance man. From engineer to educator; patriot to teacher, his range of interests and skills ranged from an intense personal dedication to conservation of our natural resources, to the study of ethics and morality.

Again, in Voltaire's words, he was occupied. And, through his work, he reached long before others, to create when he envisioned the potential of nuclear power for peaceful use. This story of Rickover success did not start with the words, "underway on nuclear power." flashed to a watching world from Nautilus 31 years ago. It began in the 1940's, when few were enthusiastic about non-military use of nuclear power and thought it outright impossible. Against all odds, while many watched and even hoped he would fail, he proved that nuclear power could be safely used, both at sea and in civilian power-generation applications.

No, he did not succeed purely on brash and brillance—he succeeded through exhausting, detailed, hard work. Admiral Rickover had a deep conviction that early downpayments in proper design, quality control in manufacturing, and excellence in education and training of his people would reap dividends in safety, protection of the environment, and successful long-term operational success, with avoidance of unnecessary loss of life and prohibitive remedial costs.

While others looked for short cuts, Admiral Rickover always insisted upon estabishing rigorous standards of performance that matched technology to human potential. Sure, this required more effort, checks and balances, concern for quality, and extra care, but these are now the hallmarks of not only our Navy's nuclear power program, but of our entire Navy's combatant readiness as well—the admiral's legacy to a grateful pleasant mood following a successful sea

trial aboard a submarine, philosophied with me on the need for his naval reactors organization to remain nearly autonomous within the then Atomic Energy Commission. He told me there would be a serious accident in the civilian nuclear power industry within 20 years because of their failure to set and hold to standards. His pragmatic vision later proved a reality.

Yes, he returned to society every gram of the incredible potential God had given him. This was his insatiable objective in life.

One cannot sum up years of genius in a few moments. In fact, the admiral would surely chide us all today for even bothering to attend this service, and ask us why we weren't back at work doing something more constructive. But, one thing is certain: we will never forget the way he pushed each of us to our own human elastic limit, chastening us to make full use of God's gifts and return them to others.

Several years ago, Admiral Rickover wrote, "no occupation can be conducted properly unless it has standards."

That was always true for the tasks he undertook...he set the standards. They were tough. That is the legacy—and the challenge—he left to all who study his great contributions. Now, he would want us not just to dream, but to create; not just to create, but to excel and to be concerned... to be ever occupied, for that is the essence of existence—a credo he well lived up to, challenging those who served beside him to do no less.

Eleonore, we grieve with you, for your loss is also this Nation's loss. Yet, even in this difficult passing, it is hard not to give thanks for what we had—the brilliance of an H.G. Rickover, and the many gifts of wisdom and foresight; counsel and advice he passed on to thousands of us over the past 86 years. Beneficiaries of these priceless gifts are not only here today and underway in Navy ships around the world, but are to be found in generations yet unborn. Admiral Rickover's commitment to excellence—to finding a better way—are an ageless gift to all mankind.

For an address to be delivered at St. John the Divine in New York, the Admiral and Eleonore together wrote this final paragraph, which put into perspective the admiral's beliefs about life:

"The man who knows his purpose in life accepts praise humbly. He knows that whatsoever talents he has were given him by the lord. And, that these talents must be developed and used, and that learning never ends. In this way, man renders thanks for the lord's gift—and finds meaning in his

Admiral Rickover well used the many gifts given to him by the lord, and found full meaning in his life, while sharing this meaning with those around him. I know we are all thankful—and blessed—that the Lord shared this gifted and talented man with us.

HUNGER IN A LAND OF PLENTY

Mr. SASSER. Mr. President, in this confusing age, we are forced to live with many disturbing paradoxes, not the least of which is the continuing tragedy of human want amidst material plenty.

We have heard again and again in recent years of the cycles of poverty and despair among our citizens, sometimes beginning two and three generations back. We know that those unbroken cycles of suffering keep turning, even while the stores of surplus farm

commodities keep growing.

We all recognize this fundamental contradiction. It is a contradiction that is at the heart of poverty in America. But we cannot expect to rectify the contradiction of hunger in this land of plenty with a contradictory set of hunger policies.

Just last month, President Reagan said the following: "The problem of the hungry people is not due to the fact that they don't have food and the ability to get food. It's that they don't

know where to get it."

Let me say that all of us hope the President is correct in his assessment. All of us want to believe that no one in this country is compelled to go without food.

But even if you accept the President's assumption that there is a meal out there for every hungry mouth and accept the dubious proposition that no one in this Nation has to go hungry, we still face a fundamental policy issue.

This administration consistently strives to eliminate the very outreach programs that are the only lines of communication between our nutrition programs and the poor people who so

desperately need them.

Mr. President, I have strongly supported the Human Services Reauthorization Act Amendments of 1986 which funds our vital nutrition and hunger programs. I think we all know what projects like Head Start have done for the children of low-income families who are trying to breakaway from the desperate cycle of poverty and dependency.

It is this kind of program that allows many in the current administration to feel satisfied that hunger is not a desperate problem in the United States. But, as the President has so forcefully pointed out, the programs simply do not work if people do not know they

are there.

For that reason, it is imperative that we continue to fund—despite the administration's opposition—the Community Food and Nutrition Program [CFNP] within the community services block grant. CFNP is a program that tells needy people where the assistance is, and I am extremely pleased that this program is reauthorized in S. 2444.

CFNP does not cost a lot of money. But if the safety net truly exists, this kind of outreach program is the frail strand that sustains it. If we cut communication funding, then I fear we make a mockery of our claim that we are winning the war against hunger in

this country.

Mr. President, I think my colleagues will be interested to know that, during field hearings I held earlier this year in Knoxville, TN, I heard from an elderly woman who is living from day to day wholly on beans; from a young Appalachian woman who must feed her children a daily diet of potatoes and a little gravy. I must say that, judging from her appearance, she must give the children all the potatoes and gravy, because she looked terribly undernourished, this mother.

□ 1730

I heard from a young innercity couple who had no idea where their next meal was coming from at all.

I cannot say for sure how far we are down the road to solving the problem of hunger in America. But I have seen clear evidence that there are hungry people in my State and across the Nation who are doing without food because they do not know how or where to get it.

I believe these people have suffered unnecessarily since the termination of the CFNP program in 1981. I know for certain that my constituents in Tennessee need to know about hunger initiatives. They need information about women, infants, and children—WIC—about what School Lunch Programs might be available. And, yes, they need to know about the Food Stamp Program, particularly the older people living in the rural hill areas of my State

In Tennessee, approximately half of the people eligible for the Food Stamp Program do not receive food stamps and, tragically, among the State's elderly who would qualify for the Food Stamp Program otherwise, the participation rate in the Food Stamp Program is only 25 percent. These people need directions as to how to find what could be the lifeline for some. Now is precisely the wrong time to tune them out.

Mr. President, I urge my colleagues on the Appropriations Committee to work with me now in securing adequate funding for the programs authorized by S. 2444.

Most important, I urge all of my colleagues to maintain the most basic consistency of our hunger initiatives. We must fund the Community Food and Nutrition Program, and make people aware of the help that is available to them, because if they do not know it is there, then they are going to continue to go hungry. The President's statement that people are hungrey because they do not know where to get the food will be given even more credence.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. WARNER). Morning business is closed. The Senator from Pennsylvania.

EXPORT ADMINISTRATION ACT AUTHORIZATION

Mr. HEINZ. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 590, S. 2245, the Export Administration Act, and further, that upon the completion of the consideration of that item the Senate then turn to the Calendar Order No. 592, S. 2247, the Export-Import Bank bill.

The PRESIDING OFFICER. The Chair recognizes the minority leader.

Mr. BYRD. Mr. President, there is no objection on this side to going to either or both of these measures. They have been cleared by all Members. Therefore, there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill clerk read as follows:

A bill, (S. 2245) to authorize appropriations to carry out the Export Administration Act of 1979 and export promotion activities.

There being no objection, the Senate proceeded to consider the bill.

Mr. HEINZ. Mr. President, today the Senate is taking up the Export-Import Bank Act Amendments of 1986.

I do not have to elaborate on the need to improve the Nation's trade performance, but before we turn to the Export-Import Bank Act, I want to proceed to the consideration of S. 2245, to which, to my knowledge, there are a few, perhaps no, amendments. As I said when I asked unanimous consent, S. 2245 is a bill to authorize funds for export administration and export promotion activities of the Commerce Department. What this bill does, in brief, is to authorize levels of funding requested by the administration at administration levels to carry out the export administration and export promotion activities of the Commerce Department.

Frankly, Mr. President, it is a very straightforward funding bill. It was reported without objection by the Banking Committee, and I believe it to be completely noncontroversial. I would only observe that the bill authorizes appropriations of \$35.9 million for the export administration operation of the Commerce Department. That is an amount sufficient to implement the improved export control procedures mandated by the Export Administration Act amendments which were passed last year.

The bill also authorizes \$123.9 million for Commerce's export promotion activities. These activities will permit the Department of Commerce to mount an aggressive export promotion effort to address our record U.S. trade deficits.

Mr. President, that really concludes my comments on the first item, Calendar 590, S. 2245. I have talked this bill over at some length with the ranking minority member, Senator Proxmire. It is my understanding that he joins me in asking our colleagues to enact this bill.

PROXMIRE addressed Mr. Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I thank my good friend, the Senator from Pennsylvania, Senator Heinz.

I rise in support of the bill. It is a necessary bill. I think we should not kid ourselves however. No amount of export promotion can make up for the gross fiscal irresponsibility that has been practiced over the last 5 years. That has been one of the reasons why we have a very adverse balance of trade, and until we remedy that—we are not going to remedy it for a considerable amount of time I should saywe are not going to be able to do much about this adverse balance although this is not necessarily the bill that does the most good, but the good it does is relatively modest in comparison to the harm we do in running these enormous deficits.

Mr. President, I rise to speak on behalf of S. 2245 a bill to authorize appropriations for the Export Administration and export promotion activities of the Department of Commerce for fiscal years 1987 and 1988.

Section 1 of the bill authorizes appropriations for the Export Administration operations of the Department Commerce in the amount of \$35,935,000 as requested by the President. I believe we must have an effective export control program in order to save our taxpayers money in our defense budget. If we prevent the Soviets from obtaining our expensively developed militarily critical technologies it saves money and keeps down defense costs. That is why I am such a strong advocate of effective export controls. The adoption of adequate funding for our export control program, as requested by the President, shows that Congress endorses that program.

Section 2 of the bill authorizes appropriations for the export promotion activities of the Department of Commerce in the amount of \$123,922,000 as requested by the President. I support that request.

It is my belief, however, that the massive trade deficits our country has run up during this administration are caused by its irresponsible fiscal policy and no amount of export promotion will reverse that. Still I support this bill because our committee has emphasized the need to promote exports with particular emphasis on assisting small and medium sized firms to develop their export potential by providing them with information and advice to help them begin exporting, or if already exporting to enter new markets.

I urge my colleagues to support this bill

Mr. President, I yield the floor. Mr. BRADLEY. Mr. President, I rise today in support of S. 2245 which authorizes appropriations needed carry out the Export Administration Act of 1979. I also would like to convey to my colleagues some of the problems a New Jersey based firm had when it attempted to follow the export licensing procedures outlined in the Export Administration Act of 1979.

Nearly 2 years ago, the Silicon Technology Corp. [STC] of Oakland, NJ, a manufacturer of silicon slicing equipment, contacted my office to seek assistance in obtaining an export administration report entitled "A Foreign Availability Assessment on Automatic Wafering Saws." In order to compete with a Swiss competitor who had begun to corner the narrow silicon slicing equipment market, STC had sought redress under the foreign availability guidelines and procedures set forth in last year's amendments to the 1979 act. In enacting the foreign availability provisions, Congress realized that U.S. firms should be able to export their product to Eastern bloc nations or nations not subject to Cocom controls when comparable products or technical data are available in sufficient quantities from foreign sources, and the export of that item would not have a detrimental effect on our national security. Congress felt that where a product is easily available from other sources, denying an export license would clearly not prevent critical technologies from reaching Soviet bloc countries; it would only penalize U.S. companies for little purpose.

STC has been pursuing this issue for nearly 4 years. After the Department of Commerce issued the long awaited regulations on foreign availability in 1985, STC officials presented evidence to the Department of Commerce indicating that their Swiss and Japanese competitors had sold equipment of similar quality to the Soviet Union, the Eastern bloc nations, and the People's Republic of China. In early October of 1985, the Director of the Office Export Administration informed STC officials that an assessment had been completed by the Department of Commerce [DOC], but that the results were not for public disclosure. The results were being reviewed in the Department of Defense ([DOD] for a determination of the assessment's impact on national security. During the time that STC was waiting for this foreign availability assessment, increased competition from its foreign competitors forced it to reduce its workforce by nearly 50 percent.

STC's request of a foreign availability assessment was substantiated by the Department of Commerce's Office of Foreign Availability [OFA] and Technical Advisory Committee [TAC]. Both the OFA and the TAC concluded that STC's silicon slicing equipment was readily available from foreign sources. This finding was submitted to the Secretary of Commerce on December 13, 1985. Under the provisions of the act, the Secretary has 90 days to issue a report stating that (a) the requirement of a validated license has been removed; (b) he will recommend to the President that negotiations be conducted to eliminate the foreign availability; (c) he has determined that foreign availability does not exist. I am particularly disturbed that the Department failed to meet this 90-day deadline, and just recently responded to my inquiry of March 10, 1986. In fact, notification of the decontrol of this equipment-to destinations other than controlled countries-did not occur until late this June.

Mr. President, I agree that any decision to partially or completely decontrol a restricted item must take into account the effects this action may have on our national security. However, I question whether the DOC is effectively carrying out the foreign availability assessment procedures. I believe the prolonged delay in obtaining a final foreign availability assessment was due to the DOC's exhaustive consultations with the Department of Defense. In fact, the DOD's opposition resulted in STC's request being reviewed by the National Security Council. What is significant is that this delay occurred after the Commerce Department found substantial evidence that the product was available from foreign producers.

STC's problems may have been an isolated case. And where serious national security problems will result, no one questions the restrictions on sales. However, when one considers the findings of President Reagan's Commission on Industrial Competitiveness which indicated that export controls results in lost sales of \$12 billion annually, STC's case may reflect a more significant problem in the administration and promotion of American exports where national security is not in question. Certainly, by delaying and possibly preventing the export of these goods, we are impairing our ability to trade. American firms must not be hampered by a process that takes years for a final go ahead to occur. Inititatives like the Department's recently proposed plan to streamline the export licensing process should be applauded. I urge the Department to continue to develop more efficient, less time consuming means of helping businesses export American products.

□ 1410

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2245) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2245

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 18(b) of the Export Administration Act of 1979 (50 U.S.C. 2417(b)) is amended to read as follows:

"(b) AUTHORIZATION.—There are authorized to be appropriated to the Department of Commerce to carry out the purposes of

this Act-

"(1) \$35,935,000 for each of the fiscal years 1987 and 1988, of which \$12,746,000 shall be available for each such year only for enforcement; and

"(2) such additional amounts for each of the fiscal years 1987 and 1988 as may be necessary for increases in salary, pay, retirement, other employee benefits authorized

by law, and other nondiscretionary costs."

SEC. 2. Section 202 of the Export Administration Amendments Act of 1985 (15 U.S.C. 4052) is amended by striking out "\$113,273,000 for each of the fiscal years 1985 and 1986" and inserting in lieu thereof "\$123,922,000 for each of the fiscal years 1987 and 1988".

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PROXMIRE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was

agreed to.

EXPORT-IMPORT BANK ACT AMENDMENTS OF 1986

The PRESIDING OFFICER. Under the previous order, the Senate will now turn to the consideration of S. 2247, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 2247) to amend and extend the Export-Import Bank Act of 1945, and to eliminate foreign predatory trade practices.

The Senate proceeded to consider the bill.

Mr. HEINZ. Mr. President, I said a moment ago that I do not have to elaborate on the need of this country to improve our Nation's export performance. We all know that the misalignment of the dollar, the less-developed countries' debt problems, and slow economic growth with our trading partners have contributed to recent massive U.S. trade deficits. These deficits totaled nearly \$150 billion in 1985, and this year the trade deficit exceeds the 1985 pace through the first half of 1986.

Even as we hope and expect world economic conditions will stabilize and improve, nonetheless we are still faced with an unfair, predatory export financing regime of competition that wrongfully and unfairly steals U.S. exThe fact is, Mr. President, that governments around the world continue to offer subsidized financing packages to the foreign buyers, and these tactics are winning sales away from U.S. manufacturers as a result of export credit subsidies and, in my judgment, the even more pernicious mixed or as some call it, tied aid credit. Both of these distort purchase decisions in the international marketplace.

The most effective way to correct these distortions is to counter them with fully competitive U.S. financing. With a strong U.S. response that neutralizes the impact of foreign credit and subsidies, the success of U.S. exports will be determined by market forces such as price, quality, service, and not by the size of the foreign government subsidies. But without such an effort the United States is putting its fate and that of our economy into the hands of foreign competitors and their governments.

I hope we all will remember what sectors of our economy are affected most by this kind of predatory financing. It is the high technology and the capital goods sectors that are targeted by our foreign competitors. These industries are the backbone of our economy and they are also essential to our national defense. So it is not exaggerating to say that our future economic growth and, indeed, our national prosperity are tied closely to the health of these two vital economic sectors.

The bill we take up today has two parts. The first part, title I, extends the life of the Export-Import Bank for 10 years and it makes a number of revisions to its charter to position the Bank for aggressive support of U.S. exports over the next decade.

The second part, title II, provides the U.S. Government with the tools necessary to eliminate so-called mixed or tied aid credit in which foreign aid funds are mixed with export credit funds. Such credits have a very significant grant element—typically, 20- to 30-year repayment terms at interest rates as low as 3 or 4 percent.

These so-called tied aid credits channel aid funds away from essential infrastructure and basic human needs projects in the country receiving them, but, furthermore, because we lack the means to mount an aggressive U.S. effort to bring the use of these tied aid credits to an end, they cost the United States literally billions of dollars a year in export sales and, as a result, we lose tens of thousands of jobs and frequently we do so at the cost of undermining the long-term viability of an entire industry.

Turning to the specific provisions of the bill, title I reauthorizes the Eximbank for 10 years rather than the 5year extension requested by the administration. I believe it is imperative that the Bank be given a sufficiently long life to provide the U.S. exporting community the stability and continuity necessary to allow the development of long-range overseas marketing plans. It is also essential to permit long-term strategic planning by the Bank. Finally, we must be willing to make a long-term commitment to Eximbank to preserve the United States' negotiating credibility within the OECD—an important step toward continued reduction in the level of export credit subsidies by all OECD member countries.

In addition to a reasonable charter extension, the most critical issue facing us is to assure adequate budget resources for Eximbank over the long term. Unfortunately, the budget treatment-a better characterization would be mistreatment-that has been given the Bank in the past would preclude this. The administration has again tried to address this problem by replacing Eximbank's direct lending program with an interest-rate subsidy payment scheme, the so-called I-Match Program. This bill contains no authority for the Bank to establish an I-Match Program. Such a program is undesirable for several reasons.

First, using private lenders rather than Treasury to finance export credits results in a program that ultimately costs more to the Government, especially over the long term, since private lenders are a higher cost source of funds than is the Treasury Department.

Second, the I-Match proposal requires that the Export-Import Bank adopt significantly more complex procedures to accommodate the loan administration and documentary procedures that private lenders require.

Third, I-Match is an untested mechanism; it is unclear that private lenders will be able to replace direct lending efficiently and competitively in all cases requiring Eximbank support.

Finally, the Congressional Budget Office and other observers agree that, from the standpoint of the whole economy, I-Match has the same capital allocation effect as does direct lending by the Government and should therefore receive the same budgetary treatment as would direct loans.

So you would be creating a complex program. It would be far more costly than the existing program. You have no guarantee that it would work, let alone work as well as the existing program. And it would achieve none of the desired paper budgetary savings.

I do not think it is too strong to say, Mr. President, that the I-Match Program, however inventive it may be, does not solve the problems of our exporters and does not solve our budgetary problems.

There is one thing I would agree upon with the administration, and that is that there does need to be, indeed I think there must be, a change in the method of accounting for Eximbank direct lending in the budget. That is because the current budgetary treatment of Eximbank direct lending overstates the true cost of the program and, as a result, unintentionally penalizes the bank and the U.S. exporting community.

This penalty is not only real, but it is particularly damaging during a time of record U.S. trade deficits and increased competition from foreign suppliers. Those foreign suppliers are the ones who are employing subsidized export financing support from their governments in order to capture increased shares of international markets.

Under the current existing procedures of the Appropriations and Budget Committees, gross new direct loan authority, as set in annual program limitation, is scored as budget authority for budget allocation purposes. That treatment grossly overstates the claim on the U.S. budget since it ignores the rather obvious and simple that the Eximbank loans are in fact income-earning assets which not only earn interest but are repaid in full to the U.S. Government. Yet we treat those commitments as if they were outlays that we were never going to see again. For this reason, this kind of budgetary treatment of Eximbank direct loans puts the Eximbank at a distinct disadvantage as compared with grant or concessional loan programs.

Under current practices literally a dollar-for-dollar relationship is assumed for both new Eximbank loans and expenditures from grant programs, crazy as that may sound, even though budget authority scored for Eximbank credits represents money that will be repaid, with interest, while budget authority for grant programs is expended with no expectation of return.

Another problem with current budgetary treatment is that the subsidy cost of Eximbank loans-that is to say the true cost of the economy-really is not in any way captured in our budget, despite the fact that the Congressional Budget Office, the Office of Management and Budget, and the General Accounting Office-all their analysts agree that this is the most representative measure of such a Government lending program. The advantage of the budget treatment inherent in the bill's funding authorization, where we do move to score in the subsidy, is that it is an explicit pay-as-you-go approach, an approach endorsed in the first congressional budget resolution.

I might add that if we put all our programs on a pay-as-you-go basis as we are proposing, we might not have the kind of large deficits that we face today.

The bill changes the calculation and authorization amount in the following way:

The bill authorizes annual appropriations to cover the estimated net present value of the subsidy implicit in new Eximbank loans, based upon the level of new lending to be provided under the program limitations for that year as established in appropriations legislation. This subsidy amount in effect represents the differential in interest rates between Eximbank lending on the one hand, and commercial lending, which can be higher, on the other.

So you get what I submit is a more representative figure, the difference between those two rates, which is the cost of the subsidy to our direct lending program. By using that as a figure to control expenditures rather than a limitation on new direct loan authority, what we can then do is have a budget authority figure that is meaningful, that relates to the cost of the program, and which can be intelligently and accurately scored by the Appropriations and Budget Committees.

I might add that the approach that I have just described does not require any change in the calculation of the budget deficit. Outlay calculations would remain unchanged. Eximbank's direct lending programs would continue to be subject to full congressional control through the appropriations process. However, in sharp contrast to the current situation, a more accurate measure of the true cost is provided by means of a clear, upfront declaration of the subsidy cost of the program to the economy, as presented in authorization and appropriations legislation.

The administration's I-Match proposal did contain one attractive fea-ture that other Government credit programs benefit from and that is long overdue at Eximbank. This is the ability to transfer Exim's guarantee from one lender or investor to another, thereby increasing the liquidity of Exim-guaranteed paper. With this kind of enhancement, and transfer-ability of Exim obligations, a greater number of capital market participants, such as institutional investors and a wider range of commercial banks, will be able to participate in Exim's guarantee and insurance programs. Not only will transferability attract additional lenders to the export credit arena, but it will also permit lenders to make funds available at the lowest possible cost of the foreign borrowers as the pool of funds available to finance U.S. exports is expanded. This feature will also make smaller export transactions more attractive to lenders, as a secondary market in Exim guaranteed paper develops.

A major congressional concern at the time the Bank's charter was last reviewed was the extent to which Eximbank was providing support fully competitive with that offered by foreign governments. As a result of the 1983 amendments to its charter, Eximbank has become more responsive to these competitive concerns. Since 1983, Eximbank has aligned its interest rates with the minimums allowable under the OECD arrangement and increased the percent of export value supported to a level consistent with that of other foreign export credit agencies.

However, as the trade environment becomes increasingly competitive and foreign export credit agencies seek to improve their country's competitive edge, terms and conditions other than the basic ones of interest rate, cover, and repayment term become more critical. Thus, in standing ready to neutralize fully the effect of foreign official export credits, Eximbank must be fully competitive on the total finance package when compared to foreign competitors. The bill makes clear that the overall Eximbank package of rates, terms, and other conditions should be designed to neutralize the effect of foreign official export credits on sales competition.

In addition to amending the competitiveness language in the Bank's charter, this bill contains several features which will enhance Eximbank's competitiveness in specific areas.

First, Eximbank is required to adjust its credit application fee to ensure that the fee is competitive, in terms of its level and payment structure, with fees charged by foreign export credit agencies.

Second, Eximbank is directed to open up its programs to all legitimate and responsible parties willing to finance U.S. exports, whether these entities are U.S. banks, foreign banks, nonbank lenders, or U.S. exporters. Currently, and strangely, I suppose to some, the Bank permits some of these entities access to some of its programs but not all types of lenders can access all programs.

Third, the bill directs Eximbank to improve its medium-term credit program to ensure that exporters selling products financed on medium terms have access to the same competitive support that exporters selling the larger project-related goods and services obtain from the Bank.

Fourth, this bill addresses the competitiveness of Eximbank in terms of its risk-taking activities. In the development of Eximbank's legislative authority, congressional intent has clearly and, I might add, consistently been that the Bank should assume risks that private lenders will not. This requires the Bank to take a strategic, long-term view when deciding on the creditworthiness of a country or project, particularly projects backed by the obligation or guarantee of the host government. Eximbank must take

into account the impact of credit availability on long-term U.S. export market share, a country's long-term economic strength and ongoing efforts at economic adjustment, and Eximbank's role of providing a credit bridge when temporary economic disruptions cause private lenders to cease new lending.

□ 1430

Given this range of considerations, it is essential that Eximbank's financing decisions be consistent with the over-all economic policies of the U.S. Government. To ensure this consistency, the bill stipulates that decisions by Eximbank to withdraw financing support to a country or to deny support for sovereign risk transactions are subject to review by the National Advisory Council on International Monetary and Financial Policies, referred to as the NAC. With members from agencies on the NAC such as Treasury, the U.S. Trade Representative, the State Department, and the Federal Reserve Board, the NAC is well suited to determine whether Eximbank denials are in fact consistent with overall U.S. economic policy.

In addition, the bill before us improves section 1912 of the Export-Import Bank Act Amendments of 1978. Section 1912, Mr. President, permits the Eximbank to offer financing support to U.S. suppliers who would otherwise lose sales in their own market, that is to say, here in the United States, as a result of credit subsidies from other governments to U.S. purchasers. Congress intended to have a very strong and effective deterrent to foreign producers seeking to penetrate the U.S. market through export credit subsidies aimed at doing business here in the United States.

Several experiences of U.S. producers seeking assistance under section 1912 raised concerns with us at the committee that these provisions were not being implemented as we intended in two ways. First, Treasury has been, I suppose reluctant is the right word, to apply the law in instances where the competition comes from countries that are not participants in the EOCD Arrangement on Export Credits, all this despite the fact that the law is intended to apply to these cases and frankly is written that way. The bill serves to reemphasize the intent of Congress that section 1912 is not, and I repeat not, limited in application to exports only from EOCD countries.

A second weakness has been Treasury's reluctance to authorize Eximbank to provide financing irrespective of whether or not the financing offer comes from an arrangement member country. This bill would give Eximbank the responsibility for making the decision to provide matching financing support once the Teasury Department confirmed the uncompetitive financing was offered and negotiations had been unsuccessful in rectifying the problem. Eximbank is best qualified to judge the importance of the financing component in such an overall purchase decision.

Finally, title I requires that Eximbank shall consider the possible adverse impact of its loans or guarantees on persons or parties who may be substantially adversely affected by them prior to approving the extension of Eximbank credit. The Bank is required to consider and address in writing the views of any such parties. This requirement will ensure that while the Bank continues to support aggressive-U.S. exporters, it also guards against potential negative impact on other parties affected by the credit sale

Title II of the bill will provide the U.S. Government with the tools necessary to negotiate an end to the use of mixed credits on commercial projects. We have, if I may say so, made as a government repeated, sincere attempts to resolve our differences over mixed credits through negotiations with our major trade competitors. But Mr. President, negotiations, talking, words, simply have not been enough, and we have gotten to the point where we are going to have to back up our rhetoric with action. The negotiations are currently in stalemate because of the Japanese. That is right, Mr. President, because of the Japanese. They have blocked a compromise on the mixed credit issue at the last meeting of the EOCD Finance Ministers, and the only course of action left for us is to demonstrate that we can and we will use mixed credits to protect our exporters as long as the Japanese remain totally intransigent. As of this moment, I am

sorry to report that they are.

It is this Senator's view that the United States will never get the full attention of its foreign competitors until we effectively compete with these countries and with the Japanese by taking away business from them with our own mixed credit program. So this title amends the Export-Import Bank Act of 1945 by establishing a \$300 million tied-aid war chest assigned to the Treasury Department for a 2-year period. The Treasury Department leads our negotiating efforts on mixed credits, and with the responsibility for administering this fund being with the Secretary, although no financing may be extended without the concurrence of the NAC, we believe it will be an effective mechanism. And I might add that in addition the U.S. Trade Representative and the Secretary of Commerce are directed to furnish the Treasury Department and the NAC with guidance on the major sectors and markets where the U.S. war chest funds might be effectively used. It is my belief, and I think the committee believes, that this process

will ensure no one agency will dominate the use of the fund and that broad U.S. negotiating objectives will be given adequate consideration and effective coordination.

Mr. President, I state for the RECORD really once again that the ultimate objective of the war chest fund is to promote progress in the negotiation of a comprehensive international arrangement restricting the use of tied-aid credits for commercial purposes. Within this broad objective, the bill maximizes flexibility in using the fund. In some cases the Treasury may choose to match tied-aid offers by other countries. In other instances, Treasury may initiate tied-aid offers. Thus, the bill authorizes both defensive and offensive use of war chest funds to bring our competitors to the negotiating table more quickly.

The \$300 million in grant money authorized to be appropriated by this bill may be combined with Eximbank loans. Eximbank guaranteed loans, or with loans extended by private lenders without Eximbank support. This title, as I mentioned, authorizes funding for 2 years. If successful negotiations are completed before that time, the war chest may be terminated. If not, if we have not succeeded in our negotiating objectives 2 years hence, Congress may authorize additional war chest funds at that time or take other ap-

propriate action.

During these 2 years the Secretary of the Treasury is to report to the Congress semiannually on the uses of this fund and negotiating progress made to restrict the use of mixed credits. So during the 2 years it is our judgment Congress will have adequate upto-date information with which to judge the effectiveness of the fund and to determine what kind of fund, if

any, we will need thereafter.

Mr. President, in conclusion, I believe the time has come to recognize that talking about the injustices of foreign export credit subsidies is just no longer sufficient. We have had plenty of time to talk. We have had more than enough time to negotiate. Now is the time for us to do something, and we are proposing to act and to act now to create a revitalized and more effective Eximbank, a bank with, among other goals, that of eliminating mixed credits from the international marketplace.

Many people would like to pretend that foreign predatory financing has no impact on the United States. That is the ivory tower, Mr. President, with plenty of people in it.

□ 1440

Those people in that tower seem to say, "Well, if other governments want to subsidize their exports, that is fine, but we are not going to distort our market with such subsidies.

Those people are just like the proverbial ostrich sticking its head in the sand, Mr. President, because those people fail to see the long-term distortions caused to the U.S. economy. If we fail to counter these kind of foreign subsidies, our exporters will go out of business or, if they do not do that, they will do what an awful lot of them have done already and that is to their production overseas, abroad, not because they have secondrate products or because the United States is an unfavorable place to locate factories. That will not be the reason. The reason will simply be that our industrial base will have eroded simply because we fail to support mechanisms such as the Eximbank and to take steps to eliminate mixed credits to neutralize unfair foreign competition in the form of subsidies and mixed credits and because we have failed to adequately defend the workings of what we would like to see as a free international marketplace.

I certainly do not want to allow foreign governments to determine the level and the structure of U.S. exports and I know my colleagues share my concern that we, not foreign governments, should control our economic destiny.

Mr. President, at this point I urge my colleagues to carefully consider the legislation, and I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, it is always a pleasure to work with my good friend from Pennsylvania, Senator Heinz, the chairman of the subcommittee. I am the ranking minority member of the subcommittee. I am very proud and happy to work with

We disagree a little bit on this legislation and other legislation but he is always fair and intelligent. I thought the statement that he made just now was an excellent statement.

TITLE I-RENEWAL AND AMENDMENT OF EXIMBANK CHARTER

The bill before us today, S. 2247, has two main titles. Title I renews and amends the charter of the Export-Import Bank. Although I continue to have severe reservations about the wisdom of giving foreign consumers subsidies to purchase goods from American corporations, I realize that Congress is not going to discontinue this program this year. So rather than working to kill the Bank, I have endeavored to make sure the program's costs are made explicit so that if Congress wants to keep the Bank alive, it will at least be aware of the annual cost of doing so. Title I of this bill goes a long way toward achieving my goal of putting the Bank on a "pay-as-yougo basis."

Here is why. The present principal role of the Export-Import Bank is to promote U.S. export sales in most parts of the world. How does it do this? It does this through financing programs that include direct loans, financial guarantees to private lenders and commercial and political risk insurance. The Bank began such operations over 40 years ago using \$1 billion appropriated to it by Congress. Since then it has not received any appropriated funds. Instead it has borrowed from the Federal Financing Bank, an arm of the Treasury Department, to sustain its lending operations. It borrows at one rate and lends money to exporters at a lower rate.

Congress sets an overall ceiling on the total amount of loans, guarantees and insurance that the Bank may have outstanding at any one time. Within that ceiling Congress also determines for each fiscal year the total amount of new direct loans the Bank can authorize and the total dollar amount of new guarantees and insurance it can agree to. These limits are set in our annual appropriations bills. Bank's net cash flow in any given year is the difference between its receipts and cash disbursements. Receipts include loan repayments, interest received on outstanding loans, fees, insurance premiums and claim recoveries. Cash disbursements include new loans made, losses on loans, claims paid on guarantees and insurance, interest paid on Eximbank borrowings, and administrative expenses.

During the first 32 years of its existence the Bank was a profitable operation as it was able to charge more interest on loans than it paid for its borrowings. Its losses on loans were also minimal. Since 1966, however, the Bank has generally had a negative spread between the average interest rate on its portfolio and the average rate of its outstanding debt. By 1975 General Accounting Office [GAO], which annually audits the Bank's books, began expressing concerns about the Bank's financial soundness. In its 1980 report, the GAO said that because "the Bank's accumulated income is also its reserve against loan losses, it cannot use accumulated income to subsidize its lending rates and absorb such losses without jeopardizing the adequacy of its reserves." Since that warning 6 years ago, in 1980, the Bank's capital reserve has declined rapidly because of continued concessionary lending in the face of historically high interest rates. In 1981 the eximbank had a capital base of over \$3 billion. What has happened? Well, reported net losses in its fiscal years 1982, 1983, and 1984 financial statements of \$160, \$247, and \$343 million respectively. In fiscal year 1985 the Bank's estimated operating loss is expected to be \$378 million. A record. These annual losses are eating up the Bank's capital base. In its most recent report on the eximbank, the GAO said the Bank's reserve for contingencies and default might already be depleted. If the GAO audit is right, it means the Bank is now consuming its original \$1 billion in capital to fund its ongoing operations. When that money is gone, and it will not be long the way it is going, the Bank will be broke. Last year the President's budget projected the Bank would have losses from 1986 through 1990 that would reach \$2 billion. It has already lost so much it is only a year or two away from going These two projections make broke. clear that the Bank will soon be without any capital to cover possible losses. It also means the Bank's bad loans will become the taxpayer's responsibility since obligations of the Bank are backed by the full faith and credit of the U.S. Government.

In 1984 I introduced a bill to remedy the Eximbank's dwindling capital position caused by interest subsidies and losses on loans. That bill simply required the Bank to maintain a minimum level of capital stock and retained earnings in an amount not less than \$2 billion and authorized Congress to appropriate the funds needed by the Bank to comply with that requirement. This year I reintroduced that bill. My aim was to have Congress recognize annually the subsidy element inherent in the Bank's lending programs instead of perpetuating the myth that the Bank operates without cost to our taxpayers. Actually the Bank's programs have two costs. There is an interest rate differential cost-the Bank borrows at one rate from the Treasury and lends money at a cheaper rate-and a credit cost on loans and guarantees due to loan losses.

Title I of the bill before us reflects the essence of my pay-as-you-go proposal. Rather than requiring any fixed level of capital as I had originally proposed, the committee bill requires an annual appropriation to the Eximbank to reflect the net subsidy cost of the Bank's lending program for the current year. The net subsidy cost is measured by the difference between the interest rate charged by the Bank on its loans and the rate that would be charged by a private sector lender on loans of comparable risk and maturity.

For example, if the Bank made a 10year loan at 8 percent while the going private market rate on such a loan was 11 percent, the subsidy would be calculated on the basis of the 3-percent differential. The Bank would calculate the present value of the future repayment of principle and interest on the loan discounted at 11 percent. The difference between this value and the amount of the loan would represent the value of the subsidy in dollars.

Under the pay-as-you-go procedure, the Bank will estimate the net subsidy cost of its proposed direct lending program for the forthcoming budget year and request a direct appropriation to cover this cost. The bill before us, for example, authorizes the appropriation of \$145,259,000 to the Bank for fiscal year 1987 to cover the net subsidy cost of new direct loans under a program limitation of \$1.8 billion. This appropriation will become a part of the capital base of the Bank and will in effect compensate the Bank for the losses on its loan programs. It will help ensure that the Bank will maintain an adequate level of capital relative to the size of its loan progam and the degree of subsidy being extended.

I believe this new procedure will result in much better budgeting practices. The true subsidy cost of the Bank will be highlighted in the budget. It also gives Congress more control over the ultimate cost of the program. For example, should market interest rates increase substantially following an appropriation to the Bank, the Bank would have to constrain its lending program to live within its subsidy money. Such an approach will protect the Eximbank's capital and reserves from further, continued erosion.

□ 1450

This new procedure will not affect the way the Bank's outlays are recorded in the budget and will have no effect on the size of the budget deficit. An argument could be made that inasmuch as the Bank is receiving an appropriation for the subsidy element of its lending program, the entire value of the lending program need not be counted as budget authority as it is now under current score keeping practices. The Banking Committee, however, did not address this issue, and it remains a matter for the Budget Committees and the Congressional Budget Office to consider.

TITLE II-MIXED CREDIT WAR CHEST

Mr. President, I come to another part of the bill which is more controversial, the mixed credit war chest.

Title II S. 2247 amends the Export-Import Bank Act of 1945 by adding a new section 15 entitled "Tied Aid Credit Program," which establishes a \$300-million tied aid war chest within the Treasury Department. I am opposed to the enactment of this so-called war chest legislation, as it will authorize spending \$300 million of our taxpayers' money over the next 2 years in order to subsidize the sale of \$1 billion of American goods to developing countries.

Let me repeat that. It will authorize \$300 million of taxpayers' money for the next 2 years in order to subsidize the sale of \$1 billion of American goods to developing countries.

The announced purpose of this new spending program is to combat the use of mixed credit by other nations and thus to help eliminate this pernicious practice. I am convinced that this leg-

islation will not achieve that purpose. Instead, it will just start a new spending program which will be perpetuated and expanded by its beneficiaries.

Mixed credits, or tied aid credits, are Government financing packages for exports that include a foreign aid component. They combine official export credits with development assistance, thus providing loans with blended interest rates to developing countries for the purchase of commercial items. These blended rate loans have much lower interest rates than normal commercial rate loans. Countries offering them contend they are part of their foreign aid programs and should not be considered to be export subsidies subject to international agreements on limiting export subsidies. Well, they are not. The U.S. Government disagrees and contends that tied-aid credits should only be categorized as foreign aid if the grant element is at least 50 percent of the export value of the item sold.

For years, various U.S. companies have urged the U.S. Government to create a war chest to provide mixed credit subsidies for their exports as a means of combating such subsidies provided by other governments. Until September 1985, the Reagan administration consistently opposed such urgings on the basis that our use of mixed credit would only expand their use by others. I think the Reagan administration was absolutely right in that. However, in September 1985, the administration, acting to head off protectionist pressures caused by its own failed trade policies, abruptly reversed its position on tied-aid credits and called for a limited, one-time-only, 2-year, \$300 million war chest under the control of the Treasury Department.

Proponents of the war chest have already eliminated the 2-year sunset provision originally proposed by the administration. So it is not a 2-year program. It seems to be a permanent program, unless we change it.

The alleged purpose of the war chest is to have our Government use mixed credit subsidies to help U.S. companies win sales away from exporters from countries, like France and Italy, which use mixed credits. The theory is that these foreign exporters will then go to their governments and lobby them to negotiate an end to the practice of mixed credit subsidies. Will that happen? I do not think so. A more likely outcome, in my view, is that foreign companies damaged by our war chest will prevail on their governments to increase their own subsidies. In that case, U.S. exporters will be demanding in 2 years that the \$300 million war chest be continued and expanded in order to win an intensified mixed credit war.

I also want to note that the Congressional Research Service [CRS], in a November 1985 study on mixed cred-

its, found that in 1984, mixed credits funded worldwide exports worth only \$649 million and represented only a very small portion of world trade. How small? Let me see how small it was. Was it 10 percent? No. Was it 5 percent? No. Was it 1 percent? No. Only about three-tenths of one percent of total U.S. exports. That is worldwide, too. That study further noted that mixed credits used by other nations did not contribute significantly to our trade deficit.

This war chest is not needed and will in future years be expanded in order to win an intensified mixed credit war. I agree with my friend and colleague Senator Armstrong, who claims that "if Congress adopts this legislation, it will not have created a war chest. It will have opened a Pandora's Box." Senator Armstrong is right.

I think we should pass title I of the present bill, but drop title II for the reasons I have stated.

Mr. President, I have an amendment to this bill, and I say to my good friend from Pennsylvania that I intend to offer this amendment and ask for a rollcall vote on it. In view of the fact that many of our colleagues, both Republican and Democrat, are not here, we could have the rollcall anyway; but in their absence, I think it would not be fair to them or fair to the amendment, or maybe it would not be fair to the distinguished Senator from Pennsylvania if he would resist the amendment.

So what I will do is describe the amendment, and then see if we can agree to schedule a time for the vote on the amendment, with very little debate—maybe a half hour, 15 minutes to a side—on tomorrow.

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HEINZ. Mr. President, I appreciate the Senator bringing that to my attention.

First, I commend him on his usual, well-reasoned statement. It was intelligent and articulate. There were parts of it with which I strongly agree, and there are one or two parts to which I take strong exception—only on the substance, not on anything else, particularly on his comments regarding the war chest.

I say to my friend and colleague that if the administration actually took such aggressive action that they started a trade war, that would be historymaking for this administration.

I was in Pennsylvania this morning at the LTV Steel Co., at least what is left of it. The Senator may have had some steel plants once in Wisconsin. I do not know. One of the biggest problems in the steel industry is the lack of an effective, aggressive trade policy, policing foreign exports—dumping and subsidies.

wings.

I say to my colleague that if his concern is that the administration might take this authority and run with it and actually do something with it that shook up somebody a little, that is a good reason to keep it in the bill, not to strike it from the bill.

To respond to my colleague's comment and inquiry regarding his amendment: What I would like to do, if he is agreeable, is to offer two technical amendments to the bill. At that point, I would like to see what other

amendments there are.

What I would resist at this point is entering into any unanimous consent agreement until we know what all the amendments that we are likely to get today are going to be. If we know what those are, then it might be possible to have a time agreement and vote at a time certain on tomorrow. But I cannot agree until I understand what other amendments might be in the

Mr. President, I again thank my colleague, Mr. Proxmire, the ranking minority member. We often trade compliments here, and sometimes they become a bit pro forma. But I must say that it has been my experience with Senator Proxmire that, in addition to being a forceful advocate of whatever his point of view may be, he is also an intelligent and thoughtful advocate, and therefore it is always a pleasure to work with him. I anticipate being able to thank him at the conclusion of our efforts on this bill, whenever we do conclude this bill.

AMENDMENT NO. 2212

(Purpose: To conform with Budget Act requirements)

Mr. HEINZ. Mr. President, I have two technical amendments I want to offer. I send the first amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:
The Senator from Pennsylvania [Mr.
Heinz] proposes an amendment numbered

Mr. HEINZ. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

"CONFORMING AMENDMENT

"Sec. 116. The second sentence of section 7(a) of the Export-Import Bank Act of 1945 is amended by inserting "and credit" immediately after the words "All spending"."

□ 1500

Mr. HEINZ. Mr. President, as I mentioned, this is a technical amendment. Frankly, it is one that is required by changes in the budget resolution last year which brought all credit programs on budget. I was glad to see that we did bring all credit programs on budget. But the amendment simply

recognizes that following the Gramm-Rudman-Hollings reforms all guarantees must be authorized in appropriating legislation. And since Exim guarantees are already provided under credit ceilings in appropriations bills that we have used this language change that I have sent to the desk has no effect on the current budgetary practices for Eximbank.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Pennsylvania.

The amendment (No. 2212) was agreed to.

Mr. HEINZ. I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table

The motion to lay on the table was agreed to.

AMENDMENT NO. 2213

(Purpose: To conform with Budget Act requirements)

Mr. HEINZ. Mr. President, I send my second technical amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. HECHT). The clerk will report.

The legislative clerk read as follows: The Senator from Pennsylvania [Mr. Heinz] proposes an amendment numbered 2213.

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, lines 20 and 21, strike "considered to be new budget authority and shall be".

Mr. HEINZ. Mr. President, this is simply another technical amendment to conform the language in our bill with the requirements of the Congressional Budget Act. We strike a very small portion of the language. It does not change the meaning of what we have in the bill. Quite simply there is a small portion of the bill that provides some guidance that the authorizing amount be counted as new budgetary authority. There is some concern on the part of the Budget Committee because they view that as an instruction on interpretation of budget concepts in authorizing legislation. They have told us privately they do not disagree with what we are saying, but they just wish they would not say so because they do not want to have a precedent where authorizing committees start instructing them as to the way language should be interpreted.

So I do not have any problem in striking that language which gives them some mild concern out of the legislation. That is all this amendment Mr. PROXMIRE. Mr. President, it is my understanding that there may be some objection on our side to that. I would appreciate it very much if the distinguished manager of the bill would defer action on that amendment for a while.

Mr. HEINZ. Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. HEINZ. Mr. President, I yield the floor.

Mr. PROXMIRE. Mr. President, point of order. I understand that there is an amendment pending, a technical amendment offered by the manager of the bill. Is that amendment still pending or is it withdrawn?

The PRESIDING OFFICER. The amendment has been withdrawn.

STOP THE EXIMBANK FROM LENDING TO THE COMMUNIST GOVERNMENT OF ANGOLA

Mr. PROXMIRE. Mr. President, I rise to discuss an amendment adding a new provision to section 2(b) of the Export-Import Bank Act that will prohibit the Bank from making any more loans or loan guarantees or providing insurance in connection with exports to Angola until the President certifies to Congress that no Cuban, Russian or other Soviet bloc military personnel remain in Angola.

Let me explain why I think this amendment is needed to make sure the Eximbank carries out Congress' previously enacted policy decision forbidding the Bank from funding exports to Communist countries unless the President certifies it is in our na-

tional interest to do so.

In 1975 following a long struggle, Angola obtained its independence from Portugal. Immediately afterward a Marxist faction, equipped by the Soviets and supported by thousands of Cuban troops, seized power and established a Communist regime in Angola. Since 1975 that regime has continued to rely on Cuban troops and vast amounts of Soviet military hardware to hold onto power. Right now there are over 600 Russian and East German military advisers and over 30,000 Cuban troops in Angola. The U.S. Government has for over 10 years, under both Democratic and Republican administrations, refused to recognize the legitimacy of the present Communist regime and we do not have diplomatic relations with it.

After the Communist takeover, Gulf Oil Co. (now owned by Chevron) entered into a partnership with Sonangol, the Angolan State Oil Co., to develop Angola's oil fields. Oil revenues from these fields now provide the Marxist government with virtually all of its foreign exchange earnings and it uses this money (almost \$1\$ billion annually) for what purpose? To pay for the presence of the Cuban troops who keep it in power. What is most aston-

ishing about this is that the Reagan administration, which wants to provide taxpayer money to Dr. Jonas Savimbi and Unita to overthrow the present regime, has encouraged Gulf to stay in Angola and has even authorized the Export-Import Bank to lend almost \$250 million at subsidized rates to expand that country's oil production. So in effect the Export-Import Bank is subsidizing the presence of Cuban troops in Angola. How do you like that?

When I first learned of this incredible situation, I found it difficult to believe because section 2(B)(2) of the Bank's charter specifically forbids it to fund exports to Communist countries. I asked the president of the Export-Import Bank when he came before the Senate Banking Committee to testify, how he justified making loans to Communist Angola. Do you know what he said? He said he had no choice as Angola was a good credit risk and was not classified a Communist country by the State Department. I immediately wrote to the Secretary of State about the matter. The State Department said, in its reply, that in deciding whether to classify a country as Communist it considers factors "such as its identification with and commitment to Communist ideology on the Soviet model; the degree to which the Soviet Union exercises political control over the regime in power; and the nature of its economic system . . ." It said on balance Angola does not have a Communist government.

If that is true why is the President seeking money from Congress to overthrow that government? I am sure it would come as a surprise to the Government of Angola that it is not running a Communist regime. It follows Marxist dogma in organizing its one party political system and its state directed economic system. It has had no elections at all, does not permit any rival party and does not schedule any elections. It is a slavish supporter of the Soviet Union at the United Nations and is kept in power by Cuban and Russian troops.

The State Department will not recognize reality because it wants to continue to assist American corporations to make a profit there, and the Angolan Government will allow our companies to stay just as long as they help it earn the money it needs to stay in power. If the Department of State would carry out the responsibility given it by Congress, my amendment would not be needed. Angola would be classified as a Communist country and the Eximbank would not be lending to that country. But State wants to follow its own policy predilections, rather than those set forth by Congress. My amendment is needed to stop the war within this administration about our Angolan policy. It makes no sense to have the Bank lend hundreds of millions of dollars to the Government of Angola, while at the same time trying to overthrow that government by providing aid to Dr. Jonas Savimbi. Would Savimbi if he came to power honor those loans? I doubt it and this could result in a \$230 million loss to American taxpayers. I am not in favor of helping Dr. Savimbi overthrow the present Angolan Government—but neither am I in favor of helping that government remain in power through subsidies paid for by our taxpayers.

Our colleagues in the House have already considered an amendment similar to mine during their own debate on the Export-Import Bank. That amendment was adopted on a voice vote without significant opposition.

Let me emphasize again that my amendment is designed only to force the State Department to adhere to Congress' previous adopted policy prohibiting Eximbank lending to Communist countries. It will not force American companies out of Angola, but it will stop the administration from using money from our taxpayers to fund the economic development of the Communist regime in Angola. If the Angolan Government wants loans subsidized by our taxpayers to developed its economy, then let it ask Cuban and Soviet troops to go home. That is the message of my amendment. I hope my colleagues will support it.

Let me point out, Mr. President, that I have introduced a bill that does exactly what this amendment does. On that bill I have a whole series of cosponsors. They include Senator Jake Garn who is chairman of the Banking Committee. I happen to be the ranking minority member of the Banking Committee.

□ 1510

So you have on this amendment supporting the principles of the amendment on a very similar bill, which is exactly like this amendment, the chairman and the ranking member of the Banking Committee. You also have the chairman of the Intelligence Committee, Senator Durenberger, and the ranking member of the Intelligence Committee, Senator LEAHY. These people also recognize how absolutely insane it is for the United States to require its taxpayers to subsidize a Communist government which the administration wants to overthrow with bullets.

In addition to those distinguished cosponsors, my bill has as cosponsor Senator Armstrong, also a member of the Banking Committee and one of the most brilliant Members of the Senate; Senator Bumpers, Senator Denton, Senator McConnell, and Senator D'Amato.

I submit that is about as broad a

I submit that is about as broad a group or representation as you can ever get on any amendment in the Senate. I think it is very representative of people who are concerned and who have thought deeply about the threat of communism and who have recognized that we have a very clear mission to do our best to prevent the spread of communism in the world, and we do not do it by subsidizing a Communist government.

Mr. President, I expect to call up this amendment tomorrow. Therefore, I will reserve offering the amendment until later.

Mr. HEINZ. Mr. President, we may actually go to third reading tonight, but I am going to make sure that the Senator from Wisconsin has ample opportunity to offer his amendment.

Mr. PROXMIRE. If the Senator wants to go to third reading tonight, he is going to have to do it on Hawaiian time because I expect to talk on this at least until 3 or 4 o'clock in the morning and probably later than that, if the Senator wants to persist until he gets a vote. We will have a few quorum calls during that time. We will see how many Senators come to the floor at 9 or 10 tonight. There is no way we will vote on this tonight.

Mr. HEINZ. Is the Senator intent on filibustering on his own amendment?
Mr. PROXMIRE. The Senator is

Mr. PROXMIRE. The Senator is intent on getting enough Senators to vote on this amendment. The Senator knows that we will have 20 or 30 absentees if we have a vote this afternoon. I intend to get a rollcall vote. There is no practical way I can do that if we have a rollcall vote today.

Mr. HEINZ. The Senator does not think he has the votes to win on his amendment? Is that the problem?

Mr. PROXMIRE. I am convinced I have the votes to win on my amendment. But I am sure that everybody who desires to vote on this, and I am sure many Senators are dying to vote on something of this kind, wants to have a chance to be here to vote.

Mr. HEINZ. We may have many votes between now and midnight because it is the intention of the Senator from Pennsylvania not to delay the business of the Senate. The Senator from Wisconsin is entitled to a vote and maybe two votes on his amendment, if somebody moves to reconsider the loss of his amendment. But I suggest to my friend, the ranking minority member of the committee, that it is not in his own interest to filibuster his own amendment nor to bring about a situation where we are repeatedly requiring the Sergeant at Arms to go out and compel the attendance of absentee Senators. Nonetheless, we may be forced to do that

Mr. PROXMIRE. I cannot believe my good friend is serious. I spoke to him about this amendment. I told him we would be voting on this amendment, as far as I was concerned, tomorrow. I do not know when we last

had a vote on Monday. It was some- would greatly appreciate your indultime ago, I am sure.

Mr. HEINZ. Let us start doing it.

Mr. PROXMIRE. I would favor that. am here. I am always here on Monday. But many other Senators could not be. They have been told that there would not be a vote on a highly controversial and important amendment. I think to accommodate our colleagues, my good friend, the Senator from Pennsylvania, the manager of the bill, would agree that we could put this off.

Mr. HEINZ. I say to my good friend, I am not in a position to agree to anything right now. I certainly would like to get an indication for my colleagues what amendments there are, in addition to his. As the Senator from Wisconsin knows, I want to make sure that he has all the time he needs to discuss his amendment, to debate it, to get whatever kind of vote he wants on his amendment. But at the same time, the Senator from Pennsylvania has an obligation to the committee and to the Senate to move the Senate's business ahead. I am perfectly willing to work as hard as necessary to accommodate Senators. I am not seeking a precipitous vote. On the other hand, it seems to me that there may be a way the Senator from Wisconsin can get his vote without delaying the work of the Senate.

Mr. PROXMIRE. I think there is. The way to do it would be to agree to a very brief debate on the amendment tomorrow and a vote at a specific time. I am happy to do that.

Mr. DIXON. Would the Senator from Wisconsin yield for a moment?

Mr. HEINZ. A parliamentary inquiry. Who has the floor?

The PRESIDING OFFICER. The Senator from Wisconsin was recognized.

Mr. PROXMIRE. I am happy to yield.

Mr. DIXON. May I say to my good friend from Wisconsin and the manager of the bill as well that my colleague from Illinois and I have a serious commitment tomorrow in that a distinguished senior member of our Illinois congressional delegation. Congressman George O'BRIEN, in Joliet, who I served with in the Illinois House, passed away a few days ago. His funeral is tomorrow. A delegation from Congress is flying out there. Senator Simon and I are committed to going out there with our wives. Congressman O'BRIEN was an old and dear friend and a valuable member of our delegation. We are leaving from the steps on the House side at 8:15 and will not return from Illinois until about 4:30 in the afternoon.

I wonder whether, in view of that, and I talked to the minority leader about it and was going to discuss it with both managers-the majority leader is at the White House-we

gence in view of the fact that we do want to attend that funeral.

Mr. PROXMIRE. That is a reasonable request as far as I am concerned. I do not think it would detain the Senate at all if we simply have our debate and so forth and schedule votes. I think there is concern about other votes, too, as there would be about this one. Therefore, we will do our best to work with the leadership. Of course, it is up to the leadership, not to this Senator. I would favor having votes starting tomorrow, say, at 5 o'clock, or something of that kind.

I understand that does complicate the situation a little, but I do not see how that necessarily delays the Senate. We can do our other business and simply stack the votes.

Mr. DIXON. May I say to my friend from Wisconsin and the distinguished manager that I know I speak for my colleague and myself when I say we would both appreciate the indulgence because of the situation which has occurred and which could occur to any of us in our State delegations. We have another Member who is seriously ill right now. I would appreciate any courtesy which could accommodate us. I say to my friend and the manager of the bill.

Other Senators may be intending to go as well. When I talked to the majority leader a couple of days ago, he expressed an interest in attending as well.

Mr. HEINZ addressed the Chair.

Mr. PROXMIRE. Mr. President, I vield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I thank my friend and colleague for bringing Representative O'Brien's funeral to our attention. I served in the House with George O'Brien. He was a fine Member, one we all really, genuinely loved. He will be sadly missed, not just by his many friends but, of course, by his family and close relatives as well.

I have not spoken with the majority leader to determine to what extent he plans to permit the Senate to travel to Representative O'BRIEN's funeral, I shall certainly urge him to do his very best to do so, not just because of the relationship I was privileged to have over the years with George O'BRIEN, but because I think Representative O'BRIEN was a Congressman whom we all respected and admired. I know the Senator from Illinois was among those people who truly respected and appreciated the fine work he did. In practical terms, until we are able to consult with the majority leader on his plans, what I think we might, at this point, most productively do, is perhaps have some debate on the amendment of my friend from Wisconsin, on his Angola amendment.

As a matter of fact, there are some thoughts and perhaps a few questions would like to share with the Senator from Wisconsin on his amendment.

I would be the first to agree with him that the Angolan regime is a repressive regime. It is one which we should not be a party to supporting. So I have a predisposition to any approach that, as a realistic matter, is going meaningfully to separate ourselves from that regime.

By the same token, I also have a predisposition against supporting what some people have called the countryof-the-week legislation-that is w-e-ek, not w-e-a-k. It is very fashionable to pick on Syria or Iran or Iraq or Angola or North Vietnam or Cambodia or a lot of other countries that we do not like, whose policies are inimical to human rights, whose policies are repressive. There are many of our colleagues who feel the same way about the Peoples Republic of China, who feel that way about the Soviet Union. who feel that way about South Africa, about Chile, and other countries where the regimes are alleged to be quite repressive and in some cases, as in the case of South Africa, truly are extraordinarily repugnant in the repression that they visit on their fellow human beings.

But I worry about politicizing the Eximbank. The reason I worry about it is that we have gone to great lengths, in fact, to outlaw the taking into consideration of foreign policy questions by the Bank. We have on the books before us, that we have passed in this body time and again, a prohibition on the Eximbank's taking foreign policy questions into account. In fact, if the Secretary of State or even the President should call up the President of the Eximbank and say, "We do not want you to make a loan, extend an Eximbank credit to Algeria or Argentina or the Philippines or Korea"-name a country-the President of the Export-Import Bank is, by law, required to say to the Secretary or to the President, "I am sorry, Mr. Secretary" or "I am sorry, Mr. President, but I cannot take your wishes or even your directive into account because, under the law as President or Chairman of the Eximbank, I cannot.'

That does not mean the President of the United States is powerless to do anything. The President of the United States, after the Eximbank has acted, can override, veto, overrule a decision by the Eximbank. But the law clearly says that the Eximbank cannot make decisions based on foreign policy questions; they must make their decisions, therefore, based only on financial considerations.

Now, I am not saying that Congress cannot do that, Congress can do that. There is nothing immoral, illegal, or wrong with what the Senator from Wisconsin proposes. Somebody elese might think that, but I do not agree with that characterization.

Now, my question to my friend and colleague from Wisconsin. There is one exception that we currently make in the way we treat countries. That is with respect to Communist countries. we say that Eximbank lending is allowable only under the condition where the President finds the loan would be in the national interest. As I understand the Senator's amendment-and he will correct me if I am wrong-I do not happen to have a copy of his amendment handy. I do not have a copy of what he proposes to offer, but my understanding, based on what I have seen before, is that he does not give the President any discretion in this matter. Is that correct?

Mr. PROXMIRE. What we do in our amendment is simply call on the Congress to pursue its own policy. What we do in my amendment is simply say, in effect, that Angola is what it is, a Communist country. What the law provides under present circumstances, I read from section (2)(b)(2):

The Bank in the exercise of its functions shall not guarantee, insure, or extend credit, or participate in any extension of credit—

(A) in connection with the purchase or lease of any product by a Communist country.**

If the Senator from Pennsylvania believes that Angola is not a Communist country, I think he is wrong. I think there is no question that it is.

Mr. HEINZ. It is a Communist country.

Mr. PROXMIRE. Certainly it is a Communist country.

Mr. HEINZ. I do not know that we are disagreeing.

Mr. PROXMIRE. Since it is a Communist country, the Bank is violating the law, that says:

The Bank in the exercise of its functions shall not guarantee, insure, or extend credit, or participate in any extension of credit—

(A) in connection with the purchase or lease of any product by a Communist country * * *

It has been doing that. That is exactly what it has been doing.

What I am saying here is that they are violating the law that we have passed. The Department of State says it is not a Communist country. They deny it. The Senator from Pennsylvania has just said accurately, honestly, that it is a Communist country. Of course it is. We know it is. It is a Communist country.

Mr. HEINZ. Since the Senator from Wisconsin and I agree on the philosophy, is the Senator from Wisconsin prepared to join with me in amending that portion of the law to treat them just like a Communist country simply by adding to the definition of Communist country the words, "and Angola?"

nist country the words, "and Angola?"
Mr. PROXMIRE. Mr. President,
that is almost exactly in substance

what I do, because I support that the argument of the Department of State is that they would prefer to have general language rather than specific language. Perhaps we ought to go into this law and specify which countries are Communist and which are not. Which means, of course, we would have to change the language as countries might change their forms of government. That happens once in awhile. What I do here is simply explicitly recognize what the Department of State refuses to recognize and what the Senator from Pennsylvania and I recognize, that Angola is in fact a Communist country. That is all I want to do.

The PRESIDING OFFICER. Is their further discussion?

Mr. FORD. Will the distinguished floor manager yield for a question, not specifically on the Angola amendment?

Mr. HEINZ. I would be pleased to yield for a question, Mr. President.

Mr. FORD. What would be the procedure on the amendmens to this bill? I have a very significant amendment I would like to submit. Would that be tomorrow that we are going to get to amendments? Would that be tomorrow, then, Mr. President?

Mr. HEINZ. Mr. President, I advised our colleagues earlier if they have amendments, they should offer them today. It is my hope that the Senator from Wisconsin and I shall shortly conclude this colloquy. If the Senator from Kentucky has an amendment, be should be prepared to offer it.

□ 1550

Mr. FORD. There has just been a colloquy, no amendments have been submitted?

Mr. HEINZ. There is no amendment pending at this time.

Mr. FORD. I think I will just use the procedure that is now being followed and alert the distinguished floor manager that I do have an amendment. It is significant to the coal industry, of which he is very much interested, coming from the great Commonwealth of Pennsylvania, and so I will just wait and follow the procedure. But I did want to alert the floor managers of the bill that I do have an amendment and I think it is significant.

Mr. HEINZ. I thank my friend and colleague from Kentucky.

Mr. PROXMIRE. May I say to my friend from Pennsylvania that the problem is that the President can permit a loan to a Communist country if he says it is in our national interest, but the President has not made such a finding. What I specify in my amendment is, "Until the President certifies to Congress that no Cuban military personnel or military personnel from any other controlled country, as defined in section 5(b) of the Export Ad-

ministration Act, which means a Communist country, like Cuba, remain in Angola." So the purpose of the amendment is really to put pressure on Angola to expel or remove the Cuban troops, which of course represent our principal problem in Angola.

Mr. HEINZ. Will the Senator yield

further?

Mr. PROXMIRE, Yes, indeed.

Mr. HEINZ. My concern about that formulation, I will be frank with my friend from Wisconsin, is that as I understand it on the one hand the Senator from Wisconsin maintains that Angola is a Marxist or Communist country, and on that I do not disagree with him. On the other hand, he says that we should treat it like other Communist countries and were we to treat Angola like other Communist countries, the only instance which the Eximbank might finance an export to that country is if the President affirmatively made a finding that it was in the national interest to do so. As I understand the Senator's amendment, what he says is, notwithstanding the fact that Angola is a Communist country, if they will just get the Cubans out, even if they bring Bulgarians in to replace the Cubans, that is all right with the Senator from Wisconsin, and we could still have Eximbank supported exports to Angola.

Mr. PROXMIRE. Let me read what my amendment says:

Until the President certifies to Congress that no Cuban military personnel or military personnel from any other controlled country, as defined in section 5(b) of the Export Administration Act of 1979, remain in Angola."

So that they would not only have to get Cuban troops out and the Russian troops out, but they could not permit any other troops from a Communist country or controlled country as defined here which means a Communist country substituting for the Cuban troops.

Mr. HEINZ. Is Libya a controlled country?

Mr. PROXMIRE. I understand not. I do not think the Libyan troops would be anything like the problem the Cuban troops are but no, they are not.

Mr. HEINZ. Is Iran a controlled country?

Mr. PROXMIRE. No.

Mr. HEINZ. The Senator has answered my questions. Neither Libya nor Iran are controlled countries and yet I am sure the Senator from Wisconsin would agree that the presence of Iranian troops, while only hypothetical—it is hard to imagine they are going to pull them out of the waterway where they are fighting Iraq—or Libyan troops; that is a little less hypothetical. Libyans have invaded other African countries, notably among them Chad. What I am concerned

about is the way his amendment is drafted he might end up with a situation where you actually have some other kind of hostile foreign troops in Angola causing instability in the region for whatever reasons. Angola would still be a Communist country and the Senator's amendment would have no meaning.

Now, maybe that is what the Senator wants.

Mr. PROXMIRE. No. May I say to my good friend, I think he is reaching pretty far. The fact is, as the Senator has admitted. Angola is a Communist country. Any troops are very likely to be overwhelmingly-the only troops they could get in there for clear reasons are Communist troops. Iran, Libya, Mexico, Canada, nobody else is going to send troops in there, and certainly not Iraq. If the Senator can come up with a good example, then he might have a point. But I think all of us recognize it is the Cuban troops and the Russian troops also that constitute the real problem in Angola and the real threat.

Mr. HEINZ. Let me just say to my friend from Wisconsin that there is a considerable amount of troop lending that goes on in Southern Africa. Zimbabwe has sent and lent troops to Mozambique. It is my understanding that Zambia has done the same thing. Angola is on the other side of Zim-

babwe.

Mr. PROXMIRE. May I say no matter what troops are in there, if they come from any other country, the President can on foreign policy grounds stop the Export-Import Bank from making loans. He would not have to rely on this legislation to do so.

HEINZ. I want to thank my friend from Wisconsin for the colloquy. I wanted to understand his amendment better. He has given me some considerable assistance on that. I now know what it says. Would the Senator be agreeable to putting the text in the RECORD at this point?

Mr. PROXMIRE. Yes, by all means. Mr. President, I ask unanimous consent that the text of this amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the appropriate place, insert the following:

LOANS TO ANGOLA

. Section 2(b) of the Export-Import Bank Act of 1945 is amended by adding at the end thereof the following:

guarantee. "(11) The Bank may not insure, or extend credit in connection with any export of goods or services to Angola until the President certifies to Congress that no Cuban military personnel or military personnel from any other controlled country, as defined in section 5(b) of the Export Administration Act of 1979, remain

Mr. HEINZ. Mr. President, I yield the floor.

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON, Mr. President, what is the order of business?

The PRESIDING OFFICER. The bill is pending and open for amendment.

Mr. DIXON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the

□ 1600

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. McConnell). Without objection, it is so ordered.

AMENDMENT NO. 2213

(Purpose: To conform with Budget Act requirements)

Mr. HEINZ. Mr. President, earlier today I offered a technical amendment. I was advised at that time that there was some objection to it on the minority side. I am advised that the issue has been clarified. The amendment has been carefully studied. In this case, it had nothing to do with the minority on the Banking Committee. There were some concerns raised by the minority on the Senate Budget Committee.

□ 1610

I am happy to report that those concerns have been addressed. I am now in a position to send to the desk the same amendment which I earlier with-

Mr. HEINZ. Mr. President, I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows: The Senator from Pennsylvania [Mr. HEINZ] proposes an amendment numbered

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I explained this amendment earlier. It is exactly the same amendment, word for word, as the one I offered an hour or so ago. It simply removes about a half-dozen words that were of some concern to the Senate Budget Committee when they believed that we were making an interpretation of the Budget Act that they did not want an authorizing committee to make. I have no problem with accommodating their concern.

Mr. President, I urge adoption of the amendment.

Mr. PROXMIRE. Mr. President, we have no objection on the minority side. I support the amendment also.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment. The amendment (No. 2213) was

agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. Mr. President, I move to lay that motion on the table. The motion to lay on the table was

agreed to.

• Mr. McCONNELL, Mr. President, 6 years ago the Senate was engaged in a difficult debate over the repeal of a Congressional ban on aid to UNITA freedom fighters. At that time, my distinguished colleague, Senator Helms, identified a critical problem troubling U.S. policy toward Angola-inconsistency. In a compelling argument, Senator Helms pointed out that the Arms Export Control Act of 1975 made clear that Congress did not approve Soviet intervention in Angola nor did it condone the presence of Cuban troops. Senator Helms went on to say, "There is a great irony here, Mr. President. In one breath, Congress deplores the presence of Soviet influence and Cuban troops in Angola. In the other, we hamstring our nation's ability to deal with it effectively."

I commend my colleague's insight and effort to reconcile U.S. policy with U.S. actions. While the Congress has finally repealed the ban on aid to UNITA, U.S. policy still suffers inconsistencies. In 1980, the United States could not fund UNITA. Today, we can. At the same time, we are actively engaged in the support of UNITA's Marxist enemy. Let me make my point clear. U.S. policy allows the Export-Import Bank, at taxpayers' expense, to guarantee and support loans to companies engaged in business with the Marxist occupation government in Angola. In fact, in the last several years, the Bank has extended over \$225 million in loans to U.S. oil companies, it has guaranteed an \$18.5 million deal for the export of aircraft, and it has approved \$6.5 million for acquisition of locomotive parts. Additionally, according to the State Department, the Bank has under consideration \$36 million in insurance for yet another deal in Angola.

Mr. President, I find it shocking that U.S. taxpayers are funding over \$250 million in loans to the MPLA, a Marxist government which we do not recognize. I find the loans all the more surprising because the President has so clearly declared his support for the goals of Jonas Savimbi and UNITA. Jonas Savimbi and his forces are the only thing standing between freedom for all Angolans and consolidation of a totalitarian Marxist state under the MPLA. I simply can not understand nor can I accept a policy which supports both the advocates and the enemies of freedom. It doesn't make

At least count, the MPLA was pressing its war against UNITA with the help of 35,000 Cuban troops, advisors from Communist bloc nations and \$2 billion in military assistance from the Soviet Union. This Soviet-Cuban commitment assures the MPLA's survival. and, in return, the MPLA pays dearly for it, in cash. In fact, there are estimates that United States Export-Import Bank loans financing United States business enterprises in Angola provided \$1 billion in hard currency to the MPLA in 1984. I might remind my colleagues that 1984 was the year we saw an enormous surge in the military equipment the Soviets sold Angola, and I emphasize the word sold. Indirectly, Export-Import loans have provided the hard currency the MPLA needs to buy Cuban protection and Soviet weapons.

In February, I was an original cosponsor along with Senators GARN and PROXMIRE of a bill that is identical to this amendment. I said at the time that I saw no purpose served by subsidizing the MPLA as we embraced the goals of Jonas Savimbi and the UNITA freedom fighters. This legislation will not sever the ties between the MPLA and the Soviets and Cubans, but the United States taxpayer will no longer sustain or contribute to financing that relationship. I urge my colleagues' favorable consideration of this amendment.

• Mr. D'AMATO. Mr. President, I rise today as a cosponsor to the amendment offered by my distinguished colleague from Wisconsin because it prohibits the Export-Import Bank from making any more loans or loan guarantees to finance exports to Angola until the President certifies to Congress that no Cuban, Russian, or other Soviet bloc military personnel remain in Angola.

Why must we pass an amendment such as this? Simply, because we are compelled to force the State Department to quit bumbling around in fantasyland and face the political realities in Angola. This amendment must not be construed as an attack on the people of Angola or those who export to that country. It does not manifest a significantly desire to alter the Export-Import Bank Act of 1945. This amendment requires the recognition of Angola as a Communist regime, a regime that cannot benefit from the Bank's loans and loan guarantees.

Despite the State Department's assertions to the contrary. Angola is a Communist country. The government is virtually a Communist dictatorship. Cuban and Soviet bloc troops patrol the street and countryside attempting to eliminate the freedom fighters that

the administration urges us to support. In fact, our Government doesn't recognize the legitimacy of the current regime. So how can the State Department persist in its failure to acknowledge Angola as a Communist regime?

The Bank's charter specifically forbids it to fund exports to Communist countries; upon this basis the Export-Import Bank should no longer fund exports to Angola. I find it absolutely preposterous that this administration urges us to finance a campaign against the very government that benefits from the presence of companies whose operations are financed in part by Exim Bank loans.

The amendment does not require United States companies to pull out of Angola. Rather, it requires Cuban. Russian, and Soviet bloc troops to pull out of Angola. If the Angolan Government wants Exim loans to develop its economy, then the Angola Govern-ment must demand the departure of Cuban, Soviet, and Soviet troops.

Mr. HEINZ, I thank all Senators.

Mr. President, we are waiting for an amendment to be offered, which may be offered by Senator Gorton or it may be offered by Senator BYRD, which has to do with the commodity coal. I am advised that it is simply a question of working out language that is amenable to all proponents of the amendment. I am advised that is necessary because there were several Senators wishing to offer what was substantially the same amendment or an amendment with substantially the same goal, namely, one to prohibit the Export-Import Bank from adding to the capacity to produce commodities which were already in oversupply or were likely to be in oversupply at some future time, if additional capacity, thanks to export financing, were built.

At this moment, the amendment is not before us.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the

□ 1640

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. With-

out objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, it is a quiet Monday afternoon and here we are spending money. Much of the Senate is still traveling but those of us who have come back are here to witness the reauthorization of the Export-Import Bank.

One might suppose since the calendar for this week also includes another vote on the increase of the national debt ceiling, on efforts to repair the damage done by the Supreme Court to the Gramm-Rudman-Hollings budget control restraint, and other legislation, which implies that we are in some kind of a state of fiscal emergency, especially in view of the fact that the Director of the Office of Management and Budget has recently said that even with our quiet pessimistic estimates of the current year and projected year the national financial deficits are going to be even greater than we expected

Somebody might think somewhere around the country there might be some poor uniformed soul who would imagine that this would be a moment when we would take a look at a program like the Eximbank and say let us kick this thing in the creek. If there was ever a program we can do without, in my judgment it is the Export-

Import Bank.

I say that recognizing full well that this week we are going to be treated to a whole series of such measures. In due course I understand we are going to be debating a housing subsidy program that asks the question should people who make \$15,000 a year pay taxes in order to subsidize the housing costs of people who make \$40,000 a year. That is another program that maybe we could do without and in due course we will be getting around to that, and I hope the Senate will turn it down.

Mr. President, it seems to me that the real issue which is addressed in this piece of legislation, the reauthorization of the Export-Import Bank, is this: Will President Reagan have courage enough to veto it? I do not think there is any doubt that it is going to

The question is, Will the White House draw the line and say here is a bill that deserves to be vetoed? I know it is popular. Anytime you give money away, it is going to be popular with the people who are getting it, and, at the slightest suggestion that the Eximbank Program might be in serious jeopardy, I would fully expect those countries and those regions which are the beneficiaries of this Federal giveaway program to come trampling down to the Senate to explain how desirable and beneficial it is; how the economic stimulus involved has been helpful to people who have gotten the money.

So I do not delude myself about the desirability of it from their standpoint, but I hope before we rush to the passage of this legislation that maybe we could at least stop and think how the world would look if Congress would just say, or the President say, We can do without the Eximbank Pro-

What do you suppose would happen? Do you think that our economy would be damaged? I do not believe there is one Senator who could show with any degree of persuasiveness that the national economy would be damaged.

Is there a widespread belief that somehow we could not be able to survive in competition with the export trade around the world? I do not think that could be shown either.

As a matter of fact, the record is that the Eximbank Program has not been very successful. It has not been profitable. It has not been the motivating force in getting us increased exports except on a very small scale. In fact, I believe that the total value attributed to the Eximbank financing is much less than 1 percent of our total exports even if you take the most optimistic projection by its proponents.

As early as 1975, the General Accounting Office expressed concerns about the financial soundness of the Eximbank. During the 1970's, the Bank rapidly expanded its subsidy program in response to increased foreign competition. These subsidies resulted in a loss of \$1.1 billion between 1982 and 1985. In addition, the Bank's retained earnings dropped from \$2 billion to \$1.4 billion, clearly a trend that we could not sustain for a prolonged period of time.

In 1985, the General Accounting Office registered additional concern when it reported the Bank's financial statements were misleading, in that they did not reflect losses likely to result from the uncollectability of its loans

As anybody knows who is reading the newspapers, there are a number of countries out there who are receiving U.S. assistance which are in deep financial difficulty and there is serious doubt about their ability to repay these outstanding loans or any others.

Given this undisputable fact, the question I would like to ask Senators to think about is, What in the world are we thinking about-reauthorizing this program and particularly doing so in a way which not only does not address the underlying problem but is calculated to actually make the situation worse?

I refer to the so-called middle-term direct lending program which is a new feature of this authorizing legislation. Granted, it has a sort of a noble sound to it, basically, to allow smaller firms to get a piece of the Exim action by lowering the loan request cap from \$10 million to \$50,000, so that instead of having only large companies getting in on this Federal program, presumably some small ones can do so. The practical effect of this, my friends, is going to be to encourage a lot of companies all over the country to participate.

I cannot criticize them if they do. In fact, I happen to be one of those who believe that the only sure cure for an unjust law is its rigid enforcement.

I also happen to think that, since we all have to comply with a lot of Feder-

nothing wrong with people taking advantage of a law, even a law with which I might not agree, if it is to their advantage to so do.

But that is not the issue here today. The question is, Why would Congress want to authorize this? Why would we want to encourage dozens or hundreds or even thousands of firms to apply for a subsidy so they can get into the export business? This is not the only questionable part of the Exim reau-thorization. Of particular note is the so-called war chest program which would receive \$300 million for the stated purpose of allowing U.S. exporters to receive tied aid credit assistance to force other countries not to use tied aid credit. This is a sort of a Band-Aid approach, an expensive Band-Aid approach. I would agree in reality, this so-called temporary war chest program has the sound and the general feel and heft of a personal new entitlement program.

The request is for \$300 million. When it becomes clear that this \$300 million has not resulted in ending tied aid credit programs by other countries, I assume that somebody will be down here asking for more money, maybe \$500 million, maybe \$800 million, maybe \$1 billion, maybe \$2 billion, or \$10 billion. Who knows where it could end?

In my opinion the whole thing is a case of overkill. To put it in perspective, I call my colleagues' attention to a study by the Congressional Research Service that points out the total value of foreign mixed credits. In 1984-85 it amounted to only three-tenths of 1 percent of total exports.

□ 1650

In other words, what we are doing, at most, results in three-tenths of 1 percent of the exports of this country. Nor are we sure, even if we accept this as the value of the program, that it has all been on the plus side, and I would like to call attention to a specific case involving the airline industry.

In 1983, the Bank sought to provide \$254 million in direct credit and \$426 million in financial guarantees to Singapore Airlines for the purchase of four new Boeing 757's and six new Boeing 747's, plus the spare parts.

It should be noted, by the way, that Singapore Airlines is owned 98.2 percent by the Government of Singapore, which gives it some advantage, as you might imagine, over its direct competitors, particularly American-based Pan Am.

I bring this up because one element for reform contained in this bill, primarily at the leadership of the Senator from Wisconsin [Mr. PROXMIRE], is contained, I think, in section 112 of this bill, or it is one of the sections, which literally will now require the Eximbank to take into consideration

al laws to our disadvantage, there is not only the positive effect of its action but also potential damage to the U.S. economy.

If this data catches on, if the Eximbank really begins to look seriously at the adverse effects of its actions as well as its positive effects, I think, first of all, that many of us who have been critical of Eximbank financing in the past will be greatly appreciative. Second, it is my guess that there will be a lot less loans made.

If we really seriously consider, under the terms of section 112, the economic impact analysis of what is going to happen. I think that many of these loans will be seen as, if not counterproductive, at least only marginally productive, when you take into account the downside as well as the benefits.

Let me call the attention of my colleagues to that section, which is on page 6 of the bill:

In all cases to which this section applies, the Bank shall consider and address in writing the views of parties or persons who may be substantially adversely affected by the loan or guarantee prior to taking final action on the loan or guarantee.

Mr. PROXMIRE. Mr. President, will the Senator from Colorado yield on that point?

Mr. ARMSTRONG. Before I do so, I should like to say once again how much I appreciate the leadership of the Senator from Wisconsin in getting this in the bill, because I think that is really a critical reform, even though I have doubts about the underlying legislation.

Mr. HEINZ. Mr. President, will the Senator vield?

Mr. ARMSTRONG. First I will yield to the Senator from Wisconsin and then to the Senator from Pennsylva-

Mr. HEINZ, I just want to associate myself with the remarks of the Senator from Colorado concerning the leadership of the Senator from Wisconsin, I think his contribution, as just cited by the Senator from Colorado, in terms of getting the Eximbank to make a careful impact analysis, is extremely well taken.

Mr. ARMSTRONG. I thank the Senator for saying so. I think we all applaud Senator PROXMIRE's participa-

Mr. PROXMIRE. I say to the Senator from Colorado that he is 100-percent right. I am delighted and flattered that he did pick out that section.

I emphasize for the record that it is not simply a matter of addressing in writing the views of parties who may be adversely affected, as the Senator quoted. I hope the administration will take this very seriously and positively seek out and give a day in court to those adversely affected and make it a big issue. There are people adversely

I am delighted to hear the Senator from Pennsylvania join so warmly in this particular section. It is important that we see that people who are adversely affected be protected, and that is the purpose of this. As I say, it will take not simply a passive willingness to consider petitions but a matter of seeking out people.

Mr. ARMSTRONG. I appreciate the

further explanation.

I suppose there are many examples of why it is necessary. I mentioned the Singapore Airlines deal. I also could have mentioned the 1983 loan to South Korea for the purpose of increasing steel production. It is hard for me to imagine why the U.S. Government, through the Eximbank, would want to lend anybody money to increase steel production when the domestic steel industry is reeling under the hammer blows of foreign competition. A lot of people wonder if the United States can even remain competitive in basic industries like steel. For us to encourage a further increase in the glut of foreign steel, particularly in this case, is hard to understand; because it is quite clear that the steel which will be manufactured as a result of this loan is targeted primarily at the U.S. market, which is already suffering from excess domestic, let alone foreign, capacity.

Mr. President, I think that the underlying issue really is brought into perspective by the Proxmire amendment that appears in section 112.

Frankly, what I think will happen is that, in the long run, either Congress will amend out of the law this provision, which I warmly endorse and which is endorsed by the Senator from Pennsylvania and the Senator from Wisconsin, or we will ultimately scuttle the whole idea.

Once we begin to look seriously at the adverse consequences of lending of this sort, I think it is going to become very clear that, by and large, it is not to the advantage of our country to

promote this kind of lending.

I think it is almost analogous to the emergence of environment impact statements in the construction of many public works projects. Superficially, the idea seemed perfectly plausible, and it did not sound as though it would have a big effect on projects. The practical effect has been to paralyze the construction of many kinds of otherwise approvable public works projects. I do not know whether that is going to happen with Eximbank loans, but I expect it will in many cases; that as the board looks before it leaps, it will decline to make loans of this kind.

Mr. HEINZ. Mr. President, will the Seantor yield?

Mr. PROXMIRE. I yield.

Mr. HEINZ. Once again, I want to state my agreement with the Senator, that it is important that the Exim-

bank take this mandate seriously, but I also want to clarify something the Senator from Colorado said, to see if I agree or disagree with him.

It is his notion that if the Eximbank looked carefully at the adverse impact of everything it did, there would not be an Eximbank. I think that is what he said. I am not sure. I want to clari-

fy that.

I think it is very important for the Bank to look at the adverse impact on U.S. persons, U.S. business people, doing business; and the Senator from Colorado cited the example of a public works project. Clearly, a public works project, in the balance of the United States, is virtually certain to be some-thing constructive by U.S. persons in the United States, and we do not usually import labor to build public works projects. Maybe there are some isolated instances of it, but, for the most part, we do not do that.

So I have no quarrel with the Senator's basic argument that public works projects that seek to create jobs can sometimes disadvantage one region of the country versus another. But, as I am sure the Senator from Colorado knows, the Eximbank is not the only game in town, and it is helping American businesses compete for projects throughout the world, and we have competitors. My only question to the Senator from Colorado is this: Did he mean to imply that the Eximbank-or Congress, for that matter-should not look at the adverse impact of the Eximbank not extending a guarantee or a credit to the United States and whoever may win that competition from the United States?

Mr. ARMSTRONG. I think the Senator from Colorado probably said more than was really necessary or desirable, and I am not sure what the

answer to the question is.

Mr. HEINZ. I am not trying to trap the Senator from Colorado. I was unclear as to what he meant to say. I assume he meant to say that there are not circumstances-and he and I can argue over whether it is one or many or zillions or in between-but there are not circumstances where the Eximbank is providing an important adjunct that business and banks cannot provide, which is to meet foreign competition of foreign government export credit financing facilities.

Absent that, it could have an adverse effect on business in the United

States.

I assume that the Senator from Colorado is not for adverse impact on American businesses.

□ 1700

Mr. ARMSTRONG. Mr. President, occasionally, we may be guilty of rambling in this Chamber, and I think I stand guilty of that this afternoon. I may have introduced a line of thought which really is not too significant. So let me just be more direct. I think if we look at the pros and cons of all these loans, we are going to find out that a lot of them are not very worthy and a lot less such loans will be made. And that is really my desire.

Mr. HEINZ. I thank the Senator from Colorado for clarifying his earlier remarks. I will not quarrel with

what he said.

Mr. ARMSTRONG. You know, I have to say, though, to the Senator from Pennsylvania, the temptation to go charging down an intellectual culde-sac is absolutely so enticing that occasionally I simply cannot resist the impulse to do so. And I apologize in this case

Mr. HEINZ. Mr. President, let me just say, the Senator from Colorado has absolutely nothing to apologize for. He does us great service by harnessing his considerable intellect to so many questions.

Mr. ARMSTRONG. I thank the Sen-

But, before I change the subject and leave it at that, I think if we look at the disadvantages of these loans as well as the advantages there would be not be nearly as many of them made, and that is what I am hoping the outcome will be.

Mr. President, even though I remain quite critical of the underlying legislation, I am also pleased to learn that the managers are seriously considering a proposal by the Senator from Wisconsin to limit loans to an additional list of Communist countries. As Senators know, at the present time, it is not within the purpose and charter ordinarily of the Eximbank to offer loans to the People's Republic of China, Hungary, Poland, Rumania, Yugoslavia, and so on.

The amendment which I understand will be considered, conceptually similar to a proposal offered and accepted in the other body, would add to this a list of additional countries, among them, I think Afghanistan, Angola, Congo, Ethiopia, Kampuchea, Laos, Mozambique, South Yemen, Suriname, and one or two others which also are Marxist-Leninist countries which should not, in my opinion, be beneficiaries of the Eximbank's financing.

I congratulate the Senator from Pennsylvania and the Senator from Wisconsin for their willingness to consider this amendment. I hope it will be speedily adopted. It is understood, of course, that the amendment does not flatly prohibit such loans, but permits an opportunity for the President to waive this particualr restriction if he should deem it in the national interest to do so.

I would judge that the occasion when he would think it was a good idea for U.S. taxpayers to fund a project or fund purchases by Mozambique or Angola would be quite rare.

to comment on them on a case-by-case

But, in the meantime, we should draw a line saying that if we are going to have this kind of financing-an awful thought-at least we ought to limit it to those who are on our side of the free-enterprise line.

Mr. President, with that word of explanation, I am going to yield the floor, but saying again that, in the unlikely event that there is a recorded vote on this-or whether there is or not-I intend to vote "No." I hope that down at OMB they are looking at this, because this is a place they could save a billion dollars, and they ought to recommend that the President veto this thing.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRAMM). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1720

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIXON. Mr. President, section 109 of S. 2247 provides that the Eximbank shall authorize the transfer of medium- and long-term obligations insured or guaranteed by the Bank by the originating lenders or their transferees to other lenders without affecting the guarantee or insurance provided by the Bank.

This is a significant provision that will, as the committee intended, help create a new secondary market in Eximbank guarantee-which, in turn, will increase the amount of capital available for export financing and reduce interest rates for such financ-

Clearly, we want to be able to ensure that the widest number of responsible and sound financial institutions as possible can enter this secondary market and acquire the loan guarantees under the transferability provision in section 109. I understand that the term "lender" as used in section 109 refers to a wide range of financial institutions, including investment banks. I would like to ask the subcommittee chairman if this understanding

Mr. HEINZ. As the Senator indicated, we have incorporated the transferability provision into this legislation to increase the amount of capital that will be available to finance U.S. exports. By making the Eximbank guarantee on an export loan fully transferable, and thus making the loan highly liquid, the interest rate on those loans will drop. At lower rates these loans will be more attractive to foreign borrowers who are buying U.S. exports

And if he does so, I should be prepared and thus be more competitive with the guaranteed loans offered by other countries.

> The Senator is correct in that we want to make sure that the widest number of responsible and sound financial institutions are able to acquire Eximbank loan guarantees-with the guarantee being fully transferable. Consistent with this objective, we do intend that the term "lender" include investment banks, as well as other financial institutions.

> Mr. President, I suggest the absence of a quorum.

> The PRESIDING OFFICER. The clerk will call the roll.

> The legislative clerk proceeded to call the roll.

> Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

> The PRESIDING OFFICER. Without objection, it is so ordered.

The distinguished minority leader is recognized.

AMENDENT NO. 2215

Purpose: To prohibit certain transactions Mr. BYRD. Mr. President, I send an amendent to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendent will be stated.

The legislative clerk read as follows: The Senator from West Virginia [Mr. BYRD] for himself, Mr. Rockefeller, Mr. FORD, Mr. ARMSTRONG, Mr. GLENN, and Mr. WARNER proposes an amendent numbered

Mr. BYRD. I ask unanimous consent that further reading of the amendent be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendent is as follows:

At the appropriate place, insert the following:

PRÓHIBITION AGAINST CERTAIN TRANSACTIONS

SEC. . Section 2 of the Export-Import Bank Act of 1945 is amended by adding at the end thereof the following:

'(e) The Bank may not make any loan, any assistance, or any other financial commitment for establishing or expanding production of any commodity for export by any country other than the United States, if-

"(1)(A) the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative, or (B) the resulting production capacity is expected to compete with United States production of the same, similar, or competing commodity; and

"(2) the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

Such prohibition shall not apply in any case where, in the judgment of the Board of Directors of the Bank, the short and long term benefits to industry and employment in the United States are likely to outweigh the injury to United States producers of the same, similar, or competing commodity.'

Mr. BYRD. Mr. President, I offer this amendment on behalf of Senators ROCKEFELLER, FORD. ARMSTRONG. GLENN, and myself.

Mr. President, the Export-Import Bank has supported an estimated \$160 billion in exports since its inception in 1945. In a year in which our trade deficit could exceed \$160 billion, American exporters need and deserve help in competing with foreign subsidies and loans-especially through programs such as Eximbank which do not cost dollars. Japan supports taxpayer about 35 percent of its exports with government financing-Great Britain assists more than 40 percent of its exports with government loans.

Exim has helped one of America's best export commodities—coal—to compete in a world market where American workers and companies increasingly find themselves in competition with foreign governments. From October 1, 1985 to July 3, 1986, Exim has assisted more than \$12 million in West Virginia coal exports through its credit insurance program. I am pleased that Exim has begun to be more aggressive in its support of coal sales overseas. Manufactured goods are vital to our export economy, but we are shortsighted if we do not promote all competitive exports-including coal-to the fullest extent possible.

However, my satisfaction with increased coal export financing is tempered by what has been happening on the import side. In January 1985, I wrote to the chairman of the Natural Resources Subcommittee of Energy Committee, Senator John WARNER, to urge that he hold hearings on the problem of coal imports into the United States. I know some of my colleagues will find it hard to believe that the United States would ever import coal. Of course, we were all shocked when we learned that the United States imported more agricultural goods in May of this year than it exported, so maybe we should get accustomed to the idea that we are losing our comparative advantage in basic commodities. But I do not think any of us are prepared to do what the administration has done-sit back and watch as this country sells off piece by piece its world leadership in trade.

Following my letter to Senator WARNER, I testified before his subcommittee on the coal import problem.

While current levels of coal ports-about 1.3 million tons in 1984are no cause for immediate alarm, they are an unsettling portent of the future. Perhaps most disturbing as the entry into the American market of Colombian coal.

□ 1740

In 1984, a new surface mine known as El Cerrejon began production in the South American nation of Colombia. The mine is one of the largest surface mining operations in the world, with estimated reserves of 1.6 billion tons and a productive capacity of 15 million tons per year. Productive capacity is projected to reach 30 million tons per year in the not-too-distant future.

The El Cerrejon mine produces high quality, low-sulfur steam coal, which is very attractive to utilities in the east and gulf coast regions of the United States.

The mine is a \$3.2 billion joint venture between Exxon Corp., and the Colombian Government through Carbocol, the state-owned coal company. Financing of the mine includes about \$1 billion provided by government export banks in Canada, Japan, England, and France. In addition, the U.S. Export-Import Bank provided \$200 million for mining equipment.

The total current productive capacity of the El Cerrejon mine is dedicated to the export market. According to a recent report from the International Energy Agency, the Colombian Government is pursuing a goal of exporting 50 million tons of coal per year by

the year 2000.

Colombian coal has already penetrated the U.S. domestic market, primarily in Florida. Electric Fuels Corp., the coal-buying division of Florida Power, recently signed a 41/2-year contract to purchase 500,000 tons per year of Colombian coal. The first shipment arrived at Florida Power at the end of February. Florida Power officials have indicated that they expect to be buying coal from Colombia well beyond the current contract.

The entry of Colombian coal into international coal markets will intensify the already fierce competition for markets in Western Europe and other countries. This has disturbing implications for U.S. coal exporters, Colombia is actively marketing its product in Western Europe, the Caribbean, Mexico, and Japan-which collectively accounted for about two-thirds, or 51 million tons, of the United States coal exports in 1983. Thus, Colombian coal may displace United States coal in foreign markets because of a price advantage resulting from lower mining costs and lower transportation costs. In fact, Colombia has recently negotiated contracts with several nations that currently are or have been consumers of United States coal, including Denmark, Israel, Mexico, Finland, Spain, Ireland, Jamaica, Puerto Rico, and the Dominican Republic.

I appreciate that the coal is to allow American equipment companies to get a piece of the Colombian market-a market that will otherwise go to Japanese equipment producers. But I am also convinced that the Bank needs to reexamine its priorities and assume a

more balanced approach.

That is why I offer this amendment. This legislation amends the Export-Import Bank Act of 1945 by explicitly prohibiting the Bank from making loans when those loans will result in production capacity that is expected to compete with U.S. production of the same or similar commodity if such loans will cause substantial injury to a U.S. producer of that commodity. The law had prohibited such loans when the result was overproduction. My amendment keeps that prohibition, but adds the constraint on loans what will create competing production, and incorporates both provisions as part of the charter language in the original Bank legislation. In addition, it requires the Bank to look at the short and long-term employment consequences in deciding whether such loans do more harm than good to employment in the United States.

Let me be very clear about the intent here. This language prohibits any direct loans to projects that would, upon their completion, produce commodities that compete with American commodities, when such loans would injure U.S. producers and workers. I believe this amendment will erase any doubt that the management of Eximbank might have about the intent of Congress as regards loans to increase foreign coal production, copper production, or production of any commodity-including steel or chemicals-that will displace American commodities from their natural markets in this country, or abroad, and cause injury to American workers and industry.

The board should be assured that this Senator and many of his colleagues-including, I know, the distinguished chairman of the Banking Committee, Senator GARN and the distinguished ranking member of that committee, Senator PROXMIRE-are going to watch that process with the

utmost care.

Mr. President, I have discussed this amendment with the two distinguished managers. I hope that they are prepared to accept the amend-

Mr. HEINZ. Mr. President, I have examined the amendment of the Senator from West Virginia, my friend and colleagues, the Democratic leader. I think I understand what the intent and the effect of his amendment is, and if it is as I understand it, I think we can accept the amendment. But I would like to ask him one or two questions, if I might.

Mr. BYRD. Very well.

Mr. HEINZ. As the Senator says, the purpose of his amendment is to make sure that the Eximbank does not lend money for exports of equipment, machinery that would be employed in some third country, some foreign country, to add to the already great woes of commodity surplus categories, whether it be coal, steel, or copper, any number of commodities which we can name.

He further states that the only exception to such a prohibition would be if the Eximbank Board fund that the

short- and long-term benefit of not making that loan was outweighed by the benefit of making that loan. And I suppose-and here is where I seek clarification-that the Senator was referring to-and this is to the best of my knowledge a hypothetical example, although there are parallel ones like itwhere the Brazilian Government decides, because they are a state-controlled economy, that they are going to build a steel mill.

Now, the Senator from West Virginia and I know that there is already a worldwide overcapacity in steel. Indeed, my projections are that there are in excess of 200 million tons of excess capacity in the world today. And for anybody who follows this, U.S. steel-making capacity is in the neighborhood of around 100 million tons.

Our capacity utilization of that tonnage is currently about 60 percent. We are, therefore, only making about 60 million tons versus a world capacity situation of roughly 200 million tons, almost 31/3 times the amount of steel we currently ship from U.S. mills in this country.

To return to the example, the Brazilians, notwithstanding the fact they know they have to subsidize the production of that steel, they are probably going to have to dump it on the world market; they have made that decision and they are entertaining bids for steel mills. One is from the United States, another is from the French. another is from the Germans, a fourth is from the Japanese. And, as I understand what the Senator's amendment does, is it says to the Eximbank, "You have a decision to make. You have to decide, with too much capacity, whether or not that steel mill is going to be built; we are simply not going to support United States suppliers who are in competition with French, German, Japanese, and others, or whether or not the decision not to do that would be balance be a mistake as that mill is going to be built anyway."

They have to make that judgment, one way or the other, and we do not know how they are going to decide, but that is the judgment, in effect, as I understand the Senator seeks to explicitly ask them to make. And I think, by the way, they should make it. But do I understand the Senator's amendment more or less correctly?

Mr. BYRD. Yes; the distinguished Senator does understand the intent of the amendment. It would be a tough decision but the board would have to make that decision, and it would have to make the decision on the basis of whether or not that particular loanin the short and long term-benefits American workers or whether or not. overall, it is a detriment to the industry and the employees in that industry in this country. It would be a tough

decision, but that board would have to make that decision

□ 1750

I think this language would give the board better guidance on which to make the decision and would assurecome nearer assuring-American industry and American workers that they are going to be protected in that decision.

Mr. HEINZ. Mr. President, I thank my friend and colleague, the Democratic leader, for clarifying his amend-

I wanted to be assured that the Bank was going to have the appropriate role of making judgments on these matters. As the Senator from West Virginia has indicated, they are inherently difficult judgments, and the Bank is being asked, as I understand the amendment, to safeguard American economic interests first and fore-

Sometimes that is going to cause the Bank to say "no" to somebody applying for a direct loan or a guarantee or insurance, and sometimes they are going to decide to say "yes" and they will have to justify those judgments.

Above all, I think what the amendment of the Senator from West Virginia does is to say to the Bank: "From here on out, we are going to hold you accountable for your judgments, because they are very important to the economic well-being of this country; and the time has to come to an end where you can make those judgments irrespective of any of the circumstances." That is what we are asking with the amendment of the Senator from West Virginia, that those judgments be made and that they consider those consequences.

On that basis, Mr. President, I am prepared to accept the amendment.

Mr. PROXMIRE. Mr. President, support the Byrd amendment, and I congratulate the Democratic leader on offering the amendment. It is an excellent amendment. It supplements what is already in the bill, but it is a necessary amendment, because makes it more explicit.

The bill provides on page 6, line 4, as follows-this was my amendment in committee:

In all cases to which this section applies, the Bank shall consider and address in writing the views of parties or persons who may be substantially adversely affected by the loan or guarantee prior to taking final action on the loan or guarantee.

The purpose of that was to serve the same purpose as the amendment by the Senator from West Virginia, but his amendment is very useful because it makes it explicit and particular, and I think it serves a very useful purpose, and I welcome it.

Mr. BYRD. Mr. President, I thank both managers.

The language in the bill does say, as the distinguished Senator from Wisconsin pointed out, that the banks shall "consider and address in writing the views of parties or persons who may be substantially adversely affected by the loan or guarantee prior to taking final action on the loan or guarantee.'

I think this amendment adds teeth, by virtue of the fact that it does not just require the bank to consider and address in writing the views." It requires the Bank to determine whether or not injury will be caused to American workers.

It should erase, as I say, any questions or doubts the Eximbank may have as to what the intent of Congress is in the making of these loans. It forces the board to weigh the benefits. Do the benefits outweigh the damaging effects, or vice versa?

I thank both managers, and I hope the Senate will adopt the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2215) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2216

(Purpose: To update the list of Communist countries needing a waiver to obtain Export-Import Bank loans, guarantees and insurance)

Mr. PROXMIRE. Mr. President, I have an amendment at the desk, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows: The Senator from Wisconsin [Mr. Prox-MIRE], for himself and Mr. ARMSTRONG, proposes an amendment numbered 2216

Mr. PROXMIRE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

Sec. 12. Prohibition on Aid to Marxist-Leninist Countries.

Section 2(b)(2) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(2)) is amended-

(1) in subparagraph (A), by striking out "Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961)," and inserting in lieu thereof "Marxist-Leninist country"

(2) in subparagraph (B), by striking out "Communist country (as defined)" and in-serting in lieu thereof "Marxist-Leninist

(3) by striking out "such Communist" each place such term appears and inserting in lieu thereof such "Marxist-Leninist"; and

(4) by adding at the end thereof the following: "For the purposes of this paragraph, the term 'Marxist-Leninist country' means a country which-

"(i) maintains a centrally planned economy based on the principles of Marxist-Len-

inism or

"(ii) is politically, economically, or mili-tary dependent on the Union of Soviet Socialist Republics or on any other Communist country, and includes specifically (but is not limited to) the following countries:

"Cambodian People's Republic. "Cooperative Republic of Guyana. "Czechoslovak Socialist Republic.

"Democratic People's Republic of Korea.

"Democratic Republic of Afghanistan.

"Estonia

"German Democratic Republic.

'Hungarian People's Republic.

'Lao People's Democratic Republic.

Latvia.

'Lithuania.

"Mongolian People's Republic.

'People's Democratic Republic of Yemen.

"People's Republic of Albania. "People's Republic of Angola.

"People's Republic of Benin. "People's Republic of Bulgaria.

"People's Republic of China. "People's Republic of the Congo.

"People's Republic of Mozambique.

"Polish People's Republic.

"Republic of Cuba. "Republic of Nicaragua.

"Socialist Ethiopia.

"Socialist Federal Republic of Yugoslavia.

"Socialist Republic of Romania. "Socialist Republic of Vietnam.

"Tibet.

"Union of Soviet Socialist Republics (including its captive constituent republics.'

With the exception of Angola, the President may remove a country from the list if the President determines that the country neither (i) maintains a centrally planned economy based on the principles of Marxism-Leninism nor (2) is politically, economically or militarily dependent on the Union of Soviet Socialist Republics or on any other Communist country.

In the case of Angola, in order to remove Angola from such list the President must make the declaration referred to in the previous sentence, and the Bank may not guarantee, insure, or extend credit in connection with any export of goods or services to Angola until the President certifies to Congress that no Cuban military personnel or military personnel from any other controlled country, as defined in section 5(b)(1) of the Export Administration Act of 1979, remain in Angola.

Mr. PROXMIRE. Mr. President, the purpose of this amendment is to see that the Eximbank ceases assistance and loans to Communist countries. We have a list of Communist countries that are involved here.

I might say, incidentally, that this amendment is one which was drafted in large part by the distinguished Senator from Colorado [Mr. ARMSTRONG], and I have a specific part of the amendment; but Senator ARMSTRONG did a lot of work on it.

My amendment, which would bar Eximbank assistance to Angola particularly, is the same as S. 2049, a bill I introduced that is sponsored by Sena-

GARN, DURENBERGER, LEAHY, tors BUMPERS, McConnell, Armstrong. DENTON, and D'AMATO. All those Senators have contributed to making acceptance of the part of this amendment dealing with Angola possible.

The Armstrong amendment and the Proxmire amendment together-the amendment that is being offered now-provides that the Eximbank shall not lend to a country that maintains a centrally planned economy based on the principles of Marxism-Leninism or is politically, economically or militarily dependent on the Union of Soviet Socialist Republics or on any other Communist country.

A list of countries involved is specified, and that list includes Cambodia. Guyana, Czechoslovakia, North Korea, Angola, and so forth.

Then the following specific language is stated:

With the exception of Angola, the President, may remove a country from this list if the President determines that the country neither (1) maintains a centrally planned economy based on the principles of Marxism-Leninism nor (2) is politically, economically, or militarily dependent on the Union of Soviet Socialist Republics or on any other Communist country.

Then it adds this:

In the case of Angola, in order to remove Angola from such list the President must make the declaration referred to in the previous sentence, and the Bank may still not guarantee, insure, or extend credit in connection with any export of goods or services to Angola until the President further certifies to Congress that no Cuban military personnel or military personnel from any other controlled country, as defined in section 5(b)(1) of the Export Administration Act of 1979, remain in Angola.

The reason for the latter provision is that we have the appalling situation in Angola of having Cuban troops and Soviet troops in Angola, aiding a Communist regime which suppresses human liberties and human rights. The purpose of our amendment, of course, is to prevent the American taxpayer from subsidizing the Angolan Government as long as those troops

Mr. HEINZ. Mr. President, this is an amendment that I have worked on with the Senator from Wisconsin and the Senator from Colorado to perfect.

I thank the Senator from Wisconsin for his cooperation in perfecting the amendment, and I include in that appreciation my thanks to the Senator from Colorado, who was quite helpful. The amendment is indeed in the form on which we agreed.

I have some reservations about the amendment. But I do not quarrel with the overall thrust, and the overall thrust is to better define what we mean by a Communist country. The definition of a Communist country in this bill is a modernized definition. It is that of a Marxist-Leninist, centrally planned economy, or an economy that

is politically, economically, or militarily dependent on the Soviet Union or another Communist country. And the legislation goes on, as the Senator from Wisconsin has described, to indicate a list that is a fairly inclusive list, but it is not necessarily an all-inclusive

□ 1800

Further the amendment goes on to state that the President may not remove any country from that list, Angola being an exception to what I am about to say, unless the President determines that the country is neither a centrally planned economy based on the principles of Marxism-Leninism nor is politically, economically, or militarily dependent on the Soviet Union or another Communist country.

So the amendment gives the President the ability to take the country off the list if they should be off the list. That is a slight modification, an important modification of the original

amendment.

At this point, I think that the amendment does a good job. I have some reservations about the special treatment accorded Angola, not so much on substance but as it relates to Congress attempting to micromanage foreign policy.

In the case of Angola, the legislation provides that Angola is on the list not only because it satisfies one or both of the two criteria but it further stipulates that no guarantee or loan or insurance or extension of credit may be made to Angola under any circumstance until the President certifies that the Cuban military personnel or military personnel from other controlled countries have left the country or are no longer present in that coun-

That is not a bad policy. That indeed tracks closely the foreign policy of the United States, which is that we want the Cuban presence in Angola out.

So, I cannot quarrel with the objective of this part of the amendment. But I do believe that when we require the President every time there is a single application for an export of a good or a service-it could be erasers, it could be medical supplies, it could be humanitarian assistance, it could be tanks, it could be equipment to keep a refinery running-irrespective of what it is, the President would be required to certify that Cuban troops or other troops are no longer there.

To my mind that is an extremely tough, narrow congressional micro-

management of the issue.

Had the amendment said that we are going to keep Angola on the list of Communist countries and they cannot get off the list until the President certifies that Cuban or other military personnel have gone, I would not be making this argument. But by in effect prohibiting any kind of Eximbank support under any circumstance, I believe that we micromanage our foreign policy in a way that puts the executive branch in a straitjacket that may have consequences that neither the author intends nor that we can foresee

It would be my hope that my colleagues would understand that it is fine to establish our policy objective: namely, that Angola is going to be on this list, this proscribed list, until the Cuban advisers and the other military personnel leave. That is fine. But to say that the President's authority, even to permit the Eximbank to ensure the credit under which humanitarian assistance might be extended to refugees in Angola, refugees from the civil war between the regime in Luanda and Mr. Savimbi, to my mind that is micromanagement, that is second guessing. That goes further than I am comfortable with.

Nonetheless, I am aware that notwithstanding my reservations, either the original Armstrong amendment or the original Proxmire amendment is certainly going to pass because often, while we really agree with the goal or principle, we do not always seek in this body to carefully define whether or not our particular implementation of policy to reach that goal is fully justi-

So, even though this second part of the amendment is more precise than I would like, than I think makes a justifiable case and is not what I would prefer to see as a part of this amendment, nonetheless, because the amendment overall is something I can agree with and because I do not really think that I have the votes to modify the second portion of the amendment and change the Angola portion to something that I think brings more thoughtful resolution of the issue, I am prepared to accept the amendment.

Mr. BUMPERS. Mr. President, I will just be very brief. I just want to say that I have been a cosponsor of this amendment since the Senator from Wisconsin first introduced it as legislation here

It is the kind of thing that is so often here in the Senate for political purposes so it can be used pro or con in the next election. I think the Senator from Wisconsin has addressed this in a very sensible way and one that should have been addressed a long time ago and in a way in which the American people strongly applaud his action.

I personally thank him for having discovered what I consider to be a gross flaw in the law in that such loans were ever permitted in the first place. But I am happy to have been an early cosponsor, and I am happy to see the Senate dealing with it today, and I want to just state that I lend my

wholehearted support to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2216) was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. Mr. President, to move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. Wilson). The Senator from Illinois is recognized.

DEATH OF GEORGE M. O'BRIEN, LATE A U.S. REPRESENTATIVE OF THE STATE OF ILLINOIS

Mr. DIXON. Mr. President, on behalf of my distinguished colleague from Illinois, Senator Simon, and myself, I rise in profound sorrow to speak in behalf of the resolution concerning the death of a distinguished Member of the Illinois congressional delegation, the Honorable George M. O'Brien, of Joliet.

Mr. President, I understand that the Senate at the conclusion of its business today will recess as a further mark of respect to the memory of the late Representative George O'BRIEN of Joliet.

Tomorrow Members of the House, Senator Simon, and myself, will attend the funeral mass at the Cathedral of St. Raymond in Joliet for Congressman George O'Brien.

Mr. President, my distinguished colleague, Senator Simon, and I served in Illinois government with George O'Brien. George O'Brien came to the Illinois House in 1970. He served there with great distinction at the time that Senator Simon was Lieutenant Governor of Illinois and I was treasurer of our State.

Congressman O'BRIEN was elected to the United States House of Representatives in 1972 and served there until his untimely death last week.

□ 1810

He was a very active member of the Illinois congressional delegation, Mr. President. Our delegation, 22 Members of the House and the two Senators, meet on a regular basis several times a month. So far as I can recall, Congressman George O'Brien, up until the very end of his life, regularly attended and participated in an ongoing way in the acitivities of the Illinois congressional delegation.

On a personal basis, my wife Jody and I were very close to Mary Lou and George O'Brien. They lived in our building. Mary Lou still lives in our building, Crystal Gateway Condominium in Arlington, and we were together

with them on a social basis from time to time.

Those in this place who knew him know what a positively lovely and charming and decent and fine man George O'Brien was. He was an excellent public man and he was a very decent man, Mr. President, and a very fine and charming and wonderful man in his private life.

I would like to just say this to my colleagues, because they have some understanding of it, and, Mr. President, having come here to the Senate one time as, I recall, during an illness to cast a vote, you will understand this.

A couple of weeks ago they were having the Contra vote in the House. It was to be a very close vote. The Republican leader in the House is Bob MICHEL from Peoria, in my State. I had gone home about this time in the evening or so and driven into the garage in Crystal Gateway Condominium where I live and Congressman O'BRIEN was just coming out of the elevator in a walker, being helped by aides to get into his automobile.

I said, "George, where are you going?" He said:

Oh, Alan, Bob Michel called me and said that they would need my vote tonight; that the issue was a close one and he did not know the result, what it would be. I am in a great deal of pain, a great deal of pain, but I am going to go there to vote.

And you could see that his face was full of pain, Mr. President. And I went up to my apartment and watched television of the House in session that evening and, in short order, Congressman O'Brien appeared on the floor of the House of Representatives and all of his colleagues stood out of affection for him and out of respect for him and gave him a standing ovation. And he just made some simple remark and said:

What a wonderful, marvelous thing it is to live in this country and to be able to come to this House in a divisive moment like this one and see everyone so friendly and so nice to one another.

Up until that moment that debate had been so bitter and vitriolic. And after George O'Brien said that, you could see the sweetness from that man flow through the House.

He cast his last vote, Mr. President, as a Congressman in support of his leader, in support of his President, in support of the position of his party and discharged in every way until the last moment of his life his responsibility as a great public man.

And I say on behalf of the people of my State, Mr. President, on behalf of my colleague Senator Simon, on behalf of every Member of the U.S. House of Represenatives from the Illinois congressional delegation, all 21 still surviving, that we all loved him. He was a good and decent man. And the people of his district, Mr. Presi-

dent, are greatly fortunate that they had such a fine and wonderful man serving them for so many years in the Congress of the United States.

I yield the floor, Mr. President.

EXPORT-IMPORT BANK ACT AMENDMENTS OF 1986

The Senate resumed consideration of the bill.

AMENDMENT NO. 2217

(Purpose: To provide for a replenishment of funds to finance price support programs of the Department of Agriculture)

Mr. FORD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD], proposes an amendment numbered 2217.

Mr. FORD. Mr. President, I ask unanimous consent further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

On page 13, line 10, after the period, add the following: "Notwithstanding any other provision of law, of the funds appropriated pursuant to this paragraph, 4.3 percent shall be available to the Department of Agriculture to carry out price support programs administered by the Department at the original levels provided for by law."

Mr. FORD. Mr. President, I understand there may not be an opportunity to accept this amendment by the manager of the bill. The distinguished Senator from Arkansas has a piece of legislation he would like to introduce. I would be more than pleased to yield the floor to him, if it is appropriate at this time, and my amendment could be then discussed after his introduction of legislation which I am very much interested in.

(The remarks of Mr. Bumpers will appear later in the Record under Introduced Bills and Joint Resolutions.)

Mr. FORD. Mr. President, I have submitted an amendment. Is that the order of business?

The PRESIDING OFFICER. That is the pending question.

Mr. FORD. Mr. President, the effect of this amendment, I think, is very simple. It would take 3.3 percent of all the funds appropriated to the Eximbank for obligation in fiscal 1986-87, and make that amount available to finance price support programs of the Department of Agriculture.

This is basically a Gramm-Rudman reduction of the amount of money appropriated to the Eximbank. The purpose of this amendment is to offset that Gramm-Rudman-Hollings cut in Federal price support programs. Our farmers are refused while we continue to send their money overseas.

Mr. President, as we all know—and as I think the distinguished Democratic leader said earlier—the Export-Import Bank was created to enhance the export of U.S.-made goods. To a certain degree it has been a successful mission. In recent years however, the Eximbank has been making loans to foreign countries which have the opposite result.

I want to reiterate the example given by the distinguished Democratic leader earlier. The Eximbank lent \$615 million to Colombia to build a coal operation there, to build the railroad, to build the deep-water port, and to do what? To export coal. Coal is now in competition here in the United States. Americans and power companies are buying more and more Colombian coal from that mine. Those companies used to buy a lot more American coal. But since the Eximbank built a Colombian coal mine with United States tax dollars, those companies are now buying Colombian coal.

The company that is over-seeing and has a partnership in this coal mine in Colombia has leases on Federal lands for coal. And their excuse for not developing those leases on Federal land is there is no market for coal in this country. Therefore, they absorb the coal leases on Federal lands in this country, and yet they are importing from their operation in foreign countries that product into this country, and therefore our leases are not being

developed.

I am not offering this amendment just because the Eximbank has strayed from its mission, as I see it, of promoting U.S. exports, although that is a pretty good reason, I think, Mr. President, in itself. What really prompted me to offer this amendment is the fact that price support payments to American farmers were cut in a time when our farmers need the help most.

You do not kick the man who has fed you all of his life when he is down. The funding transfer to the USDA's price support programs by this amendment will not be enough to make up for the funds lost under the Gramm-Rudman-Hollings sequester. But it will help. It is about time we helped ours instead of theirs. Our farmers could use a great deal more help. If that Eximbank does not begin to make some smarter loans, I suspect there will be a long, hard look in the future at what we do as relates to the Eximbank.

So, Mr. President, I urge my colleagues to support my amendment.
Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. FORD. Will the Senator with-

Mr. HEINZ. I withdraw my request. Mr. FORD. Senator Helms wishes to be a cosponsor of the amendment. I would like to ask unanimous consent to add his name for the Record, and then suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I suggested the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1850

Mr. HEINZ. Mr. President, I ask unanimous consent that further call of the quorum be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

□ 1900

Mr. HEINZ. Mr. President, I want to report to our colleagues that we have established that there are a maximum of six additional amendments that are going to be offered to this bill, S. 2247, the Export-Import Bank amendments, and I am about to propound a unanimous-consent request. To the best of my knowledge, Senators on both sides of the aisle have been fully consulted on this unanimous-consent request, but I do ask that all Senators attend to my statement of it.

The purpose of the unanimous-consent request is to make in order six amendments, and six amendments only—no more than those six; second, the request is intended to protect the Senators from Illinois, who are going to the funeral tomorrow of Representative George O'Brien, who passed away in the last few days. Therefore, to accommodate them, no votes will be ordered before 5 o'clock.

Finally, to ensure that the Senate does conclude expeditiously voting on this matter, votes will begin no later than 5 o'clock and proceed through to final passage. So let me propound the unanimous-consent request.

UNANIMOUS-CONSENT AGREEMENT

Mr. HEINZ. Mr. President, I ask unanimous consent that when the Senate resumes consideration of S. 2247, the Export-Import Bank bill, at 2 p.m. tomorrow, the following amendments be the only amendments in order and that no motions to recommit with instructions be in order.

An amendment offered by Senator Ford dealing with agricultural price supports, amendment No. 2217. An amendment to be offered by Senator DeConcini dealing with a sense of the Senate on Angola. An amendment to be offered by Senator Symms dealing with fertilizer.

An amendment to be offered by Senator Nickles dealing with multilateral assistance for foreign surplus commodities, minerals, materials, and products.

An amendment to be offered by Senator Nickles dealing with trade adjustment assistance for oil workers.

An amendment to be offered by Senator Johnston related to trade adjustment assistance for oil and gas workers

I further ask unanimous consent that following the disposition of the above-mentioned amendments, the bill be advanced to third reading, without any intervening action, and the Senate proceed immediately to the House companion bill, H.R. 4510; that the Senator from Pennsylvania be recognized to move to strike all after the enacting clause and to insert the text of S. 2247, as amended, if amended.

Further, I ask unanimous consent that following the motion of the Senator from Pennsylvania to strike, the bill be advanced to third reading and that final passage occur of H.R. 4510

without intervening action.

Further, I ask unanimous consent that final passage of H.R. 4510 occur no later than 5 p.m., with the proviso that rollcall votes ordered, if any, not occur before 5 p.m., and occur in the sequence in which the yeas and nays were ordered, and that paragraph 4 of rule XII be waived.

Mr. BYRD. Mr. President, reserving the right to object, it is understood that the references to the "Senator from Pennsylvania" in the request

mean Mr. HEINZ.

Mr. HEINZ. The Senator is correct. Mr. BYRD. Second, that the rollcall votes to which the distinguished Sena-

votes to which the distinguished Senator referred, mean rollcall votes ordered on any amendments or in relation to any amendments that have been enumerated by the distinguished Senator from Pennsylvania [Mr. Heinz] in the request.

Finally, that no rollcall votes outside the purview of S. 2247 and H.R. 4510 would occur until following the votes on the amendments to S. 2247 and passage of H.R. 4510 as amended, if amended.

Mr. HEINZ. I think the Senator from West Virginia has clearly established the substance of the unanimous-consent request, with one proviso, which is that where the unanimous-consent request says "the Senator from Pennsylvania," I would only amend it to say "the Senator from Pennsylvania or his designee," in the two instances in which that definition occurs.

Mr. BYRD. Mr. President, further reserving the right to object, it is understood that there will be no rollcall votes tomorrow prior to 5 p.m.

Mr. HEINZ. The Senator is correct. Mr. BYRD. That would be a part of

the request.

Mr. HEINZ. Mr. President, I make that a part of the request, and I do know that it is the intention of the majority leader not to have any rollcall votes before 5 p.m. tomorrow.

Mr. BYRD. Mr. President. I thank the distinguished Senator from Pennsylvania [Mr. HEINZ], the distinguished majority leader, and Mr. PROXMIRE for their understanding with reference to the Senators from Illinois, who will have to attend the funeral services tomorrow of our late departed House colleague from Illinois.

I have no objection to the request.

Mr. FORD. Mr. President, reserving the right to object, there were two references as to time in the unanimousconsent request. One was 2 p.m. and the other was 5 p.m. Do we take up the bill and start considering the amendments at 2 p.m.?

Mr. HEINZ. That is correct.

Mr. FORD. My amendment will

then be pending?

Mr. HEINZ. It is my understanding-and the Parliamentarian can confirm it-that the amendment of the Senator from Kentucky is the pending business.

Mr. FORD. Then, the vote on my amendment will occur sometime around 5 p.m. or not later than 5 p.m.?

Mr. HEINZ. If a vote is ordered on the Senator's amendment, a vote would occur at or about 5 p.m.

Mr. FORD. Do I correctly understand, then, that it does not necessarily mean an up and down vote? There could be a tabling motion? Or will there be an up and down vote on the amendment?

Mr. HEINZ. The unanimous-consent request stipulates that there will not be any amendments in order to his amendment. There will be no motion to recommit. But it does not preclude a tabling motion.

Mr. FORD. I was hoping we could get an up-and-down vote. But I will take my chances on that. I do not think the distinguished Senator from Pennsylvania would want to table such a meritorious amendment. So I hope that he will be generous in his action.

Mr. HEINZ. The Senator from Pennsylvania will say he has no plans at this time to offer a tabling motion but he has to be candid with the Senator from Kentucky. If the debate drags on for an extended period of time to the point where there are other Senators' amendments that are not going to be properly considered, I will have to reconsider that position.

Mr. FORD. Even the motion to table could not be taken up until 5 o'clock.

Mr. HEINZ. I think the Senator is correct, that there would be no actual rollcall vote ordered under any circumstances before the hour of 5 p.m.

Mr. FORD. It is the Senator's intention now there will not be a long. drawn-out debate of this amendment. Other amendments need to be taken up. He has no intention of moving to table.

Mr. HEINZ. At the present time I do not, but I do not want to preclude my responsibility or right to do so and the Senator understands that, I am sure.

Mr. FORD. I understand that, but if the Senator is not being pushed for time it is his opinion tonight that he will not move to table.

Mr. HEINZ. I stand on my statement.

Mr. FORD. OK. It is in part of the RECORD.

Thank you, Mr. President, I do not object.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, I have two questions, one, with respect to the response of the distinguished Senator from Pennsylvania to the Senator from Kentucky in which response the Senator from Pennsylvania stated that there could be no amendment to the amendment offered by the Senator from Kentucky. The agreement as promulgated does not prevent one of the amendments that has been identified, from being offered as an amendment in the second degree to any other of the identified amendments. It just identifies amendments which may be offered. It does not say that they cannot be offered one to another.

Mr. HEINZ. The Senator is correct. The Senator from Pennsylvania would simply state that normally when amendments are enumerated in this order they tend to be offered one at a time, not as perfecting amendments or substitutes for other amendments, but the Senator from West Virginia is technically correct. One of those amendments could be offered either as a substitute or a perfecting amend-

Mr. BYRD. I wonder if the distinguished Senator would also allow me to suggest that he place some kind of time limit on each amendment; otherwise, it would be possible for the entire 3 hours to be consumed on one amendment, two amendments, or three amendments, or whatever, with a Senator or with Senators at 5 o'clock finding that they will have no time for debate on their amendment or amendments and can only get a vote thereon.

Would the Senator be willing to say there be a limit on each amendment of, say, 30 minutes to be equally divided? There are six amendments and there are 180 minutes. So that would be 30 minutes for each amendment. Otherwise, I am afraid that some Senators are going to be caught without time for debate on their amendments.

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Mr. HEINZ. I think the minority leader is quite correct. I did not make that a part of the unanimous-consent request because the Senator from Pennsylvania did not feel that he had information available that would allow him to propound such a unanimousconsent request.

I fear that propounding it would require that we consult the Senators and their staffs in each of these six instances. I would suggest that such a unanimous-consent request might be obtained at 2 o'clock tomorrow.

Mr. BYRD. Mr. President, it seems to me that a bit of caution here might prove to be well-advised.

Would the distinguished Senator feel that maybe we ought to contact the Senators now and see if there is a willingness on their part to divide this time so that every Senator will be assured of some time for debate on his amendment?

Mr. HEINZ. I am not sure that we need to stipulate that each amendment be allowed 30 minutes equally divided, which is the obvious mathematical solution to what the Senator from West Virginia propounds. What I might suggest is that each amendment be guaranteed a minimum of 10 minutes of discussion regardless of whether or not the hour of 5 p.m. has arrived. I would feel comfortable agreeing to that. That does not prejudice any Senator's rights. And if it will accommodate the Democratic leader, I will amend my unanimous consent request accordingly.

Mr. BYRD. Well, that at least assures each Senator then of 10 minutes to be equally divided, which would mean that it is possible that the 5 o'clock hour for the beginning of voting could slip a bit.

Mr. HEINZ. It could slip as far as 5:50, at the most.

Mr. BYRD. It could slip more than that.

Mr. HEINZ. Well, the Senator would say to his friend from West Virginia, there are six amendments. Under the most lengthy of circumstances, if the first amendment took all 3 hours between 2 o'clock and 5 o'clock, and the request of the Senator from Pennsylvania, amended request, had been incorporated in the unanimous-consent agreement, the first of the six amendments would have been disposed of by 5 o'clock and at 5 o'clock it would be in order to turn to the remaining five amendments. So 5 times 10 being 50, this Senator concluded we would probably get to the last amendment and conclude it on or about 5:50 tomorrow at the very latest.

Mr. BYRD. Very well. I think that is a satisfactory resolution of a problem which I hope will not present itself. I thank the Senator.

Mr. HEINZ. Very well.

Mr. President, I further, as part of my unanimous-consent request, ask unanimous consent that each amendment have a minimum of 10 minutes equally divided regardless of whether or not the hour of 5 p.m. has arrived. The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That at 2:00 p.m. on Tuesday, July 22, 1986, the Senate resume consideration of S. 2247, the Export-Import Bank Bill, and that the following amendments be the only amendments in order, and that no motions to recommit with instructions be in order:

An amendment, No. 2217, offered by Senator Ford, dealing with agricultural price supports;

An amendment to be offered by Senator DECONCINI, dealing with the sense of the Senate on Angola;

An amendment to be offered by Senator Symms, dealing with fertilizers;

An amendment to be offered by Senator Nickles, dealing with multilateral assistance for foreign surplus commodities, minerals, materials, and products;

An amendment to be offered by Senator Nickles, dealing with trade adjustment assistance for oil workers.

An amendment to be offered by Senator Johnston, dealing with trade adjustment assistance for oil and gas workers;

Ordered further, That following the disposition of the above mentioned amendments, the bill be advanced to third reading, without any intervening action, and that the Senate proceed immediately to the House companion bill, H.R. 4510, and that the Senator from Pennsylvania (Mr. Heinz), or his designee, be recognized to move to strike all after the enacting clause and to insert the text of S. 2247, as amended, if amended.

Ordered further, That following the Heinz motion to strike, the bill be advanced to third reading, and that final passage of H.R. 4510 occur at no later than 5:00 p.m., without any intervening action, unless there have been rollcall votes ordered prior to 5:00 p.m., in which case such votes which are in relation to S. 2247 will occur in the order in which the yeas and nays were ordered, and those rollcall votes not dealing with S. 2247

will occur following final passage.
Ordered further, That no rollcall votes occur prior to 5:00 p.m. on Tuesday, July 22, 1986, and that the amendments mentioned above have a minimum of 10 minutes each, to be equally divided and controlled, regardless of whether or not the hour of 5:00 p.m. has arrived. (July 21, 1986)

Mr. HEINZ. Mr. President, I thank all colleagues.

Mr. BYRD. Mr. President, I thank the Senator.

ROUTINE MORNING BUSINESS

Mr. HEINZ. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business until the hour of 7:30 p.m. tonight.

The PRESIDING OFFICER. With-

out objection, it is so ordered.
Mr. HEINZ. Mr. President, I suggest
the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, under the order for morning business, is there a time order for Senators to speak?

The PRESIDING OFFICER. There is not.

Mr. BYRD. Mr. President, under morning business no Senator is permitted to speak except by unanimous consent. I am wondering if the distinguished Senator would include in his order that Senators may speak up to 3 minutes.

Mr. HEINZ. Mr. President, I ask unanimous consent that my request that the Senate proceed in morning business until 7:30 p.m. be amended to permit any Senator who seeks and gains recognition to speak for up to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the distinguished Senator.

DEMOCRATIC DEBT INITIATIVE AND TRADE

Mr. BYRD. Mr. President, Senate Democrats have urged the administration to undertake a trade policy that is realistic and worthy of this country. The United States now is experiencing annual trade deficits which will run in excess of the \$148.5 billion trade deficit of last year. We are losing jobs and Americans are losing confidence in the benefits of trade because the administration does not believe there is a problem.

An important part of the current crisis is the result of the deteriorating economic situation in developing countries-our most important market for the future. Last year, Senator Bentsen released a Library of Congress report showing that our trade deficit with the developing world increased by more than \$23 billion between 1981 and 1985. Hobart Rowen calls this the 'debt/trade link." Developing countries, burdened by external debt obligations that now total more than \$800 billion, accelerate and subsidize their exports in a desperate bid to earn foreign exchange to pay off their debts. So steelworkers, coal miners, and chemical workers in West Virginia, Pennsylvania and Kentucky and workers in all other States and in many other industries that are competing with imported products from debt-burdening nations face job loss as these products flood our market. At the same time, developing nations restrict their imports of American goods because they need every dime of foreign exchange to pay off their loans.

The administration, after ignoring the foreign debt crisis and its impact on American jobs for more than 5 years, came up with the "Baker plan." This proposal was well motivated but proved to be unworkable. It recognized

that our policy on Third World debt must change so as to promote renewed growth in the debtor countries. However, its central recommendation— much more new lending by private banks and international lending agencies-cannot work. Piling even more debt onto the already crippling debt burdens of the Third World does not appeal to either those countries or the bankers. The net effect of this policy is that debtor nations borrow new money to pay the interest on their pre-existing loans-and only dig themselves deeper into debt. This is only a means of postponing the day of reckoning, and quite possibly making that even more traumatic than the present circumstance.

Senator BILL BRADLEY and Senator JOHN KERRY have different ideas. In their view, the debt burden of the Third World should be lightened, not made heavier. Noting that the debt-induced trade deficit with development countries may have cost our country 1 million jobs, Senator Bradley has put forward a bold proposal for reconciling the competing claims of our exporters and lenders that protects the safety and soundness of our financial system. He proposes a trade debt summit with leaders of industrial and developing countries. Lenders in industrial countries would accept a moderate schedule for reducing the principal on their outstanding loans to Third World countries. Debtor countries would, in turn, open their markets to more exports from the United States and other industrial countries. In short, Senator BRADLEY is proposing that the banks face the fact that they made some bad business judgments, and that American workers will not pay for those mistakes with lost jobs. And he is calling for firm commitments from the developing countries to open their markets to American goods.

Similarly, Senator Kerry is insisting that Third World countries open their markets and commit to buying more American products in exchange for debt reductions.

These initiatives differ from the administration's policy because they recognize that throwing more American dollars at the debt crisis will not change anything. Instead, the banks must take some loses, and the debtor governments must change their policies and play by the rules of international trade.

These are powerful initiatives, and they deserve the attention they are getting from the press and the Congress. They are very much a part of the Democratic call for a comprehensive trade policy that fosters growth in trade.

I commend Senator Bradley and Senator Kerry for their insight and the creativity. I hope my colleagues will give serious attention to their important initiatives, because American jobs are at stake.

I ask unanimous consent that an editorial by Hobart Rowan which appeared in the Washington Post of July 10, 1986, and a related article from the Washington Post of Sunday, July 6, appear in the RECORD.

There being no objection, the material was ordered to be printed in the

RECORD, as follows:

[From the Washington Post, July 6, 1986] BRADLEY CHALLENGES BAKER ON THIRD WORLD DEBT

(By Hobart Rowan)

Sen. Bill Bradley (D-N.J.), who launched a dramatic new plan last week calling for relieving Latin American debtor nations two-thirds of their annual \$30 billion debt burden, said he acted because the highlytouted Baker debt initiative is a failure.

In a speech in Zurich last Sunday, Bradley spelled out a scheme for cutting the interest rates of 15 Latin American debtors by about 3 percentage points for a three-year period, and for forgiving 3 percent of the loan principal a year over the same period, in exchange for internally generated debtor nation reforms.

That would provide \$42 billion of debt relief from commercial banks, and another \$15 billion from governments that had made bilateral loans to Third World governments,

he calculated.

These deals would be struck at a "Trade Debt Summit" attended by representatives of major creditor countries and banks from the United States, Canada, Europe and Japan. The summit, held for three consecutive years in parallel with upcoming multilateral trade talks, would be chaired by World Bank President Barber Conable.

Bradley's high profile as one of movers and shapers of tax reform has given new credibility to the idea of debt forgiveness. His use of specific numbers was a deliberate attempt to get attention, he conceded during an interview, and it has worked.

"We need a bold approach to solve the debt problem," Bradley said. "The incre-mental approach we have been following since the Mexican crisis first surfaced in 1982 hasn't solved the problem. And while the Baker plan was a positive change in attitude, there is no action-forcing mechanism, and it has the additional liability of being imposed by the United States.'

He contended that the Baker plan will not correct the most "perverse" part of the debt problem, the net capital flow from the poorest to the richest countries, estimated by the World Bank to have been \$22 billion

The Baker plan, put forward by Treasury Secretary James A. Baker III in Seoul, last October, calls for \$29 billion in extra com-mercial bank and multilateral development bank loans during the next three years, provided the borrowing nations are "willing to commit themselves" to market-oriented growth policies.

In recent weeks, it has been criticized here, and abroad, as insufficient to meet the problem, and because the extra loans envi-

sioned have not been made.

Moreover, the problem of "capital flight" from the developed countries continues unabated. "What we hear," said a Bradley staff aide, "is that 50 cents out of every dollar [going to Latin America] winds up back in Miami. If that's true, the Latin American nations have to do something to generate the confidence that will keep that money at try-by-country basis. But Bradley emphahome.

Bradley said that the basic deficiency of the Baker initiative is that it calls for new loans, thus generating more debt, instead of calling for interest-rate relief and a writedown, in some cases, of the principal. Debt relief, Bradley said, offers the only real hope of restoring economic growth in the Third World

Adding to the debt burden, Bradley said in his Zurich speech, will discourage new investment and increase capital flight.

'In other words, the Baker plan prolongs the policies that created the debt crisis in the first place," he said.

"Bradley has faced up to the reality of the situation," said Richard Feinberg, vice president of the Overseas Development Council (ODC) and an expert on the debt problem. 'He recognizes in this plan the cost to our economy of continued recession in Latin America, and that there is a conflict between bankers, on the one hand, and American manufacturers and farmers who have their markets there, on the other lost

Bradley said that shortly he will make one more major speech on his debt proposals, citing especially the need to maintain close political and economic ties with Latin America and the dangers to democratic institutions there if the economic crisis worsens.

He also will press ahead on the need for debt relief, as opposed to new loans, in the next few months on the Hill, at the World Bank, with other political leaders and in the

banking community.

He plans to seek endorsement from other politicians on Capitol Hill, such as Rep. Charles Schumer (D-N.Y.), another Bakerplan critic who has called for partial debt forgiveness.

'The precise numbers aren't all that important, but the concept of debt relief is," Bradley said." He said he would maintain the principle of dealing specifically with each country: Some might get more or less than the 3 percent relief or forgiveness figure. And the numbers would be negotiated, not dictated, Bradley said.

In the interview, Bradley stressed the idea that genuine economic reform in Latin America will come about only if change is generated from within, and not imposed from the outside, which he said in the real message of the Baker plan. Although it is supposed to replace austerity with growth, Bradley said in Zurich in reality the Baker plan demands adherence "to the economic principles of President Reagan."

Meanwhile assistance coming from the International Monetary Fund, he said has served only to finance debt payments, not to stimulate growth, with the result being that living standards have sunk, and a debilitat-

ing capital flight continues.

I guess I approach this with three principles," Bradley said in the interview. "First, we have to make clear to Latin America that our objective is a partnership of growth. The idea has to be to address the fundamental problems of poverty and malnutrition that exist there.

"Second, our proposal has to be seen as hold enough to be a cure, not a palliative, not a marginal assist.

"And third, we have to say to them, 'We will help, but what are you willing to do?' Instead of telling them, 'You must do the following before you get help.' A shift of emphasis like that makes all the difference in the world in Latin America."

Any of the 15 countries in the Baker plan would be eligible for debt relief on a coun-

sized that the debt relief offered must be on a multilateral basis, involving the global banking community and all of the countries involved.

Bradley is not the first to espouse the principle of actual debt write-offs. For a long time, many academicians have contended that Latin American debt has been piled too high as a result of excesses on the part of both borrowers and lenders, and that some part of it ultimately will have to be written off. Comments favoring either debt relief or forgiveness were made recently by New York banker, Felix Rohatyn, former West German Chancellor Helmut Schmidt, and in an ODC report edited by Feinberg on the prospective new role of the World Bank.

Bradley's proposal comes at the precise time that the World Bank under its new president, Conable, has been asked to take the lead in managing the Third World crisis.

Holding debt management negotiations at the same time trade talks are going on under the aegis of the General Agreement on Tariffs and Trade would encourage Third World nations to abandon their own trade barriers, Bradley argued. Offering a carrot in place of the stick, he suggests, is

the Baker-plan enforcer.

Bradley said the public doesn't yet appreciate the close connection between Third World debt and the trade deficit. "Debt is usually viewed as a bank problem," he said. In fact, it is a political and national problem. The debt situation in Latin America has cost about one million jobs, 100,000 because, we've lost exports to them, and the rest because they have had to generate exports of their own so as to earn enough foreign exchange to pay interest on the debt.'

The Trade Relief Summit, explicitly recognizing the links between trade, debt and

job problems, would set as a goal: Interest-rate relief for Latin

debtors of 3 points on all commercial and official bilateral loans for a three-year period.

A forgiveness or write-off of 3 percent a year of the principal of those loans.

Extra World Bank and other multilateral development loans of \$3 billion a year (the same feature as in the Baker plan).

No new commercial bank loans,

In exchange, the participating nations would drop trade restrictions, and generate reforms-according to their own internal priorities-that would lead to economic growth.

Bradley said he does not ask, as does Baker, for \$20 billion in added commercial bank loans because "the commercial banks will make loans again when they think they are sound. I don't make that a requirement. I don't envision that there will be no new money, but they will kick in new moneythe way the market works-when it is appropriate.'

Banks that worry that debt relief will weaken the creditworthiness of the borrowers should bear in mind that "a country receiving emergency bridge loans can be no more creditworthy than a country receiving debt relief," Bradley said. In fact, he argued that debt relief immediately improves the financial position of any debtor and avoids the prospect of unilateral debt repudiation.

He calculated that most U.S. banks would lose no more than 3 percent of capital be-

cause of the concessions.

But he said he recognizes the argument made by some American banks that even moderate debt relief, on a country-specific basis, will hurt them because of present re-serve requirements and accounting standards. Therefore, his proposal includes a new Regulatory Review Board to consider changes in bank regulations and interpretations of accounting rules.

What is the realistic outlook for this new "Bradley initiative?" Will it replace the

"Baker initiative?"

The honest answer, Bradley said, "is that only time will tell. I wanted to get people to feel a sense of urgency. Here, Mexico has burst onto the scene again. The trade deficit with Latin America has increased faster than our deficit with Japan.

'I don't think the banking community is hostile to some form of this idea. They shouldn't be telling Mexico and these other countries what they should be doing. That's

got to come out of there."

There are no plans for legislation, although Bradley-once the tax reform conis finished-expects to ference work through the Senate Finance Committee and public speeches to keep it alive. Legislation will be coming up in the Senate relating to bank regulation, to appropriations for the World Bank, and on trade. In each of these, Bradley said, he will make an effort to focus attention on the need for debt relief, and the urgency of reversing the "negative" flow of capital.

Bradley conceded in the interview that there could be some taxpayer costs associated with writing off some Latin America debt, but that such costs will be much less, than doing nothing about it, or simply going along with the Baker plan and hoping for

He said a failure of the democratic process in Latin America would be a real cost to the United States, and that the risk of a timid approach is that the middle class in Latin America will be destroyed.

'If we fail to establish a partnership for growth with the present set of democratic leaders in Latin America," he said, "I can imagine repercussions that will put another set of people in power who share neither our commitment to the present international financial system or to the market system.'

THE BAKER PLAN

Last fall, Treasury Secretary James A. Baker III proposed a three-part plan designed to renew growth in debt-ridden developing countries, most of them in Latin America. The three elements of the plan are:

Development institutions, like the World Bank and Inter-American Development Bank, would boost their lending to the nations by \$9 billion during the next three

2. Commercial banks would increase their lending, most of it in conjunction with the development institutions, by \$20 million

over the next three years.

3. Debtor countries would take economic policy measures designed to encourage growth. Among the measures would be steps to encourage foreign investment, sale of inefficient public sector companies and reduction of import protection for inefficient domestic companies.

THE BRADLEY PLAN

In Zurich last Sunday, Sen. Bill Bradley (D-N.J.) proposed a new debt initiative to replace the Baker plan, contending that debt management today has stalled development in the Third World and destroyed jobs elsewhere. The main elements of his plan limitto Latin America, are:

1. As in the Baker plan, development banks would boost their lending to the participating nations by \$3 billion a year over a three-year period.

2. In contrast to the Baker plan, there would be no new loans required from commercial banks.

3. At an annual trade debt summit chaired by the president of the World Bank, the debtor countries agreeing to economic reforms would get three points of interest-rate relief for a three-year period on all outstanding commercial and official bilateral loans, plus a 3 percent write-down of principal a year, over a three-year period.

4. To qualify for trade relief packages, debtors would make internally generated (not outside-dictated) policy changes to generate growth, liberalize trade, reverse capital flight and "keep debt management free

from scandal.

[From the Washington Post, July 10, 1986] WRITE OFF SOME THIRD WORLD DEBT

(By Hobart Rowen)

Until now, the idea of debt relief for the Third World-actual "write-offs" of some of the money they borrowed-has been a political no-no. But the urgency of the situation, highlighted by Mexico's problems, is changing perspectives

Sen. Bill Bradley (D-N.J.) gave the possibility of debt relief significant new visibility last week by proposing to cut interest rates and forgive some of the outstanding capital owed by the big debtor nations in Latin

Sen. John Kerry (D-Mass.) has also put forward a debt-relief plan linked to a commitment by the borrowers to increase imports from the United States and other lenders. Both Bradley and Kerry are aiming directly at the debt/trade link. As Bradley notes, the United States may have lost the equivalent of 1 million jobs when its traditional trade surpluses with Latin America were wiped out and deficit arose in their place

Cutting back high interest rates and canceling some of the debt, they argue is the right alternative to the "Baker plan." Treasury Secretary James Baker wants to provide new commercial and World Bank loans in exchange for policy reforms among the bor-

rowers

Such new loans would be used primarily to pay interest on old debt to the banks. Thus, new loans are a cover-up for the problems of both the lender and the borrower: for the banks, new loans avoid the need to show losses on the books; for the borrowers, the new money is a temporary fix, but one that merely adds to total debt.

There is no conceivable hypothesis under which these countries are ever going to be able to repay these accumulated debts of interest and principal," Robert M. Lorenz, retired senior vice president of the Security Pacific Bank of Los Angeles, told the Joint Economic Community the other day.

But bankers and many politicians choke when debt cancellation is suggested. Baker is strongly against debt forgiveness. So is debt expert William R. Cline of the Institute of International Economics, who argues that nations owing half of the debt do not need the kind of help suggested by Bradley.

At his introductory press conference last week, Barber Conable, new president of the World Bank, also appeared to be negative about the notion of write-downs (although he really was trying to avoid substantive statements). Conable has said that he needs more time to think things through.

It seems plain that some relief from the burden of servicing the debt is needed. It's just gotten too big. Lorenz points out that against the bankers' rule of thumb that says a sound country will have a ratio of debt to its gross domestic product of no more than 20 to 25 percent, Mexico's ratio is 60, Argentina's is 70, and Chile's is 120. Even Brazil, said by Cline to be showing a good economic growth record, has a debt ratio of 40 percent to 45 percent.

A new report on the Latin American situation has been issued by a group of hemispheric leaders, including former U.S. Ambassador Sol Linowitz and former OAS head Galo Plaza. It points out that each year since 1982, interest payments alone have absorbed \$35 billion of Latin American nations' \$90 billion to \$100 billion annual export earnings, stultifying their ability to

expand their own economics.

Bradley would cut interest rates by three percentage points over three years and write off about 9 percent of the capital for Latin American nations that come up with economic-growth scenarios. In a three-year period, that could be worth about \$57 billion in relief to 15 countries, compared with an extra \$20 billion they'd get in commercial bank loans under the Baker plan.

'The Baker plan prolongs the policies that created the debt crisis in the first

place," Bradley said.

A recent JEC study made the point that big American banks helped precipitate the debt crisis by openhanded lending policies, yet have been allowed under current policies to increase loan margins and fees.

But to squeeze out the money needed to pay off the banks, the JEC report shows, Latin American countries have been forced to cut off imports from the United States, thus "penalizing American farmers and other American exporters." Alfred J. Watkins of the Roosevelt Center for American Policy Studies adds: "Simply put, there is a serious tension between the interests of U.S. banks and the interests of nonfinancial sectors of the U.S. economy.'

Debt-relief proposals are an explicit recognition that, under present policies, there is such a conflict between bankers, on the one hand, and American exporters who have lost Latin American markets, on the otherand that it may have to be resolved against

the bankers.

Bradley now has put some of his political prestige, won during the successful fight for tax reform, into an examination of debt relief. He is not wedded to his 3 percent formula, or any other specifics. He told me that privately, bankers with whom he discussed his plan showed a surprising willingness to believe some kind of write-off relief is inevitable. The sooner that Baker and Conable arrive at the same pragmatic conclusion, the better.

Mr. BYRD. I also ask unanimous consent that my remarks may be revised and extended.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I yield the floor.

OF THE DEATH HONORABLE GEORGE M. O'BRIEN, A REPRE-SENTATIVE FROM THE STATE OF ILLINOIS

Mr. HEINZ. Mr. President, I send a resolution to the desk on behalf of myself, Mr. Dixon, and Mr. Simon, and ask for its immediate consideration.

THE PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows: A resolution (S. Res. 449) relating to the death of the Honorable George M. O'Brien, a Representative from the State of Illinois.

S. RES. 449

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable George M. O'Brien, late a Representative from the State of Illinois.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased Representative.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. Is there debate on the resolution? If not, the question is on agreeing to the resolution.

The resolution (S. Res. 449) was agreed to.

Mr. HEINZ. Mr. President, I thank all of our colleagues.

EXECUTIVE SESSION

Mr. HEINZ. Mr. President, I have a unanimous consent request that I ask the Democratic leader to pay particular attention to which is as follows: I ask unanimous consent that the Senate go into executive session to consider the nomination of Robert Ortner of New Jersey to be Under Secretary of Commerce for Economic Affairs.

Mr. BYRD. Mr. President, this nomination has been cleared on this side of the aisle by all Members. There is no objection to proceeding to the confirmation thereof.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

DEPARTMENT OF COMMERCE

The legislative clerk read the nomination of Robert Ortner, of New Jersey, to be Under Secretary of Commerce for Economic Affairs.

The PRESIDING OFFICER. The question is on the nomination. Without objection, the nomination is considered and confirmed.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the nomination was considered and confirmed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HEINZ. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to this nomination, and that the Senate now resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

PROPOSED LEGISLATION TO REVISE MEDICARE PAYMENTS TO PHYSICIANS

Mr. DOLE. Mr. President, in April, I was joined by my distinguished colleagues, the Senator from Minnesota [Mr. DURENBERGER] and the Senator from Texas [Mr. BENTSEN] in introducing S. 2368, a bill that would begin the process of initiating needed reforms in the way the Medicare Program pays physicians. That bill has since received the benefit of the comments and suggestions from many who have assisted us in moving forward with this important effort. Specifically, I am referring to the excellent and ongoing discussions that have taken place with physicians, Medicare carriers, beneficiaries, the administration, as well as our colleagues here in Congress.

In anticipation of the Senate Finance Committee mark up of a reconciliation bill, I would like to take this opportunity to discuss with my distinguished cosponsors of S. 2368 some refinements that should be considered as the legislative process continues. We learned a great deal at a recent hearing on physician payment reform. we have received many letters from interested individuals and groups, and the researchers and analysts in this area have provided us with continued support. Thus, it makes sense for us to take some time now to reflect on the past few months and to move forward these developments that strengthen our ability to achieve our goal—the construction of a resource based relative value scale that can be used to construct a physician fee schedule.

First on the list of proposed modifications is the expected date of availability of the resource based relative value scale [RVS] being constructed by Drs. Hsaio and Stasson at Harvard conjunction with the American Medical Association. We now know that the results of that important study, will not be available until mid 1989. We should not therefore, expect the implementation of a resource base relative value scale to construct a fee schedule until December 31, 1989. All dates in S. 2368 and in the Consolidated Omnibus Budget Reconciliation Act that refer to the RVS availability date should coincide as well.

Second, my colleague from Minnesota has recently introduced S. 2576, the

Medicare Timely Payment Amendments that would assure prompt payment to those who provide services to Medicare beneficiaries. It seems to me that timely payment by the Medicare carriers who pay physician bills should go hand in hand with physician payment reform. Would my colleague from Minnesota agree?

Mr. DURENBERGER. I do agree with the distinguished majority leader from Kansas, and I want to thank him for this opportunity to reflect on the progress we have made on our bill. While there can be no question that we still have a long way to go in physician payment reform, I am pleased to be part of this important first step.

With respect to S. 2368, I concur with the leader and I am glad to join him in specifying these provisions that require updating. At the April 25 Finance Health Subcommittee hearing on physician payment, which I chaired, I asked Dr. Hsaio whether he couldn't complete his work on the relative value scale earlier than mid-1989. But, at my request, Dr. Hsaio met with subcommittee staff following the hearing to provide a more detailed briefing on the nature of the work being done and I am satisfied now that an earlier completion date is, unfortunately, not possible.

I would also like to take this opportunity to call our colleagues' attention to the provision in the bill which requires the Secretary to develop an index or multiplier for converting the RVS into a fee schedule which would be sensitive to the current geographic maldistribution of physicians and the need to attract and retain physicians in medically underserved areas. This provision will see to it that any future physician payment mechanisms under Medicare do not perpetuate any unfair urban-rural differentials in payment to physicians that ultimately threaten Medicare beneficiaries' access health care in rural areas.

Further, like the distinguished majority leader, I, too, would like to identify two areas of our bill that we have revised. At our Finance Committee Subcommittee on Health hearing on the bill, held in April of this year, we received a clear message. The factors that we have proposed to be taken into account when the Secretary of Health and Human Services applies "inherently reasonable" determinations concerning Medicare physician payment are essential. The current bill should contain unequivocal language that makes clear our conviction that these factors must be considered any time "inherent reasonableness" is applied. Specifically, the "may" contained in Sec. 1842(b)(8)(B)(i) of the Social Security Act (as added by Sec. 2 of S. 2368) should be changed to a "shall". This modification is consistent with much of the testimony we received at our April hearing on physician payment reform

Also, in Sec. 4(a), of the bill, we have directed the Secretary to "simplify" the payment method based on the Health Care Financing Administration Common Procedural Coding System (HCPCS). The word "simplify" should be substituted by the word "consolidate", which would more accurately describe the intention of this provision. Several carriers have already moved in this direction and their success with these rationalized payment methods should be disseminated throughout all carriers.

Mr. DOLE. I thank the Senator from Minnesota for his contribution to the area of physician payment reform. And I agree with the modifications he has recommended. Now I would like to turn to the distinguished Senator from Texas, our fellow cosponsor of S. 2368, and ask him if he would be willing to offer his comments at this time.

Mr. BENTSEN. I thank the distinguished majority leader and I want to begin by expressing my sincere appreciation to him, and to the chairman of the Senate Finance Subcommittee on Health for enabling us to take this opportunity to make explicit our progress to date. And I agree with my distinguished cosponsors on the revisions described above and I am pleased to have been a participant in the negotiations during which these modifications were developed. And I would like to offer one final addition.

Congress established the Medicare Program in order to provide access to needed medical services for our disabled and elderly citizens. The way we pay for these services can exert an effect on beneficiary access to those services in addition to liability in the area of copayments and billing beneficiaries beyond that which is paid for by Medicare, often referred to as "balance billing."

In our working with beneficiaries and the American Association of Retired Persons, it has become evident that any proposed use of the "inherent reasonableness" authority must include an evaluation of the impact of the change or methodology proposed to be established on changes in the accessibility of the service and changes in beneficiary liability for the service.

Mr. DOLE. I agree with the Senator from Texas and I thank him for his contributions and appreciate his as well as the Senator from Minnesota's commitment to the Medicare Program and to the beneficiaries of that program.

SALVADORAN DEPORTATION

Mr. SIMPSON. Mr. President, I wish to call to the attention of my colleagues a letter that I recently sent to the Most Reverend Arturo Rivera y Damas, the archbishop of the city of San Salvador in El Salvador, concerning legislation which would suspend the deportation of Salvadorans who are illegally in the United States.

Archbishop Rivera y Damas recently wrote a letter to all Members of Congress urging that the Senate and the House of Representatives pass legislation which would suspend the deportation of Salvadorans who are presently in our country in an illegal immigration status. Senator Dennis DeConcini and Congressman Joe Moakley sent to every Member of Congress the archbishop's letter, in which he there stated his reasons for supporting such legislation.

In my letter of response to the archbishop, I have reviewed my reasons for deeply believing that a blanket immigration remedy such as this is a bad and treacherous course for U.S. immigration and refugee policy. I wish to make my letter a part of the Record on this debate.

I ask unanimous consent that my letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, DC, June 30, 1986.
Most Reverend Arturo Rivera y Damas,
Archbishop of San Salvador,
El Salvador, C.A.

YOUR EXCELLENCY: I am writing with regard to your letter to all Members of Congress of the United States concerning the condition of Salvadorans in our country in an illegal immigration status, and legislation which would suspend their deportation.

All of us appreciate your humanitarian concern for the people of El Salvador who have been the innocent victims of six years of civil conflict in your country. I agree with you that special consideration should be given to your country and to its nationals, but I do not believe that this warrants the suspension of the deportation of every single Salvadoran who happens to be in the United States in an illegal immigration status. I would like to share with you my

reasons for this position.

I have opposed the DeConcini-Moakley bill because it is quite simply untrue that all Salvadorans are incapable of safely returning to their homeland. Civilian deaths due to random violence have decreased dramatically in the past two years, and are not nearly as high as they were in the early 1980's. For example, in 1981, press reports listed over 9,000 civilian deaths due to the random violence. In 1984, similar reports found 800 civilian deaths due to random violence, and in 1985, the number of civilian deaths had declined to 335. By way of comparison, New York City experienced over 1,600 deaths due to homicide in 1983. While I assuredly agree with you that any number of civilian casualties is lamentable, this is not justification for the suspension of the deportation of over 500,000 who are presently in our country in an illegal immigration status. When human rights conditions improve as they have in El Salvador, we simply cannot deny that fact.

In addition, the respected Intergovernmental Committee on Migration (ICM) meets every returned or deported Salvadoran at the San Salvador airport and determines their need for food, clothing, shelter, travel documents, or referral to a displaced persons camp. ICM workers have distributed questionnaires to the returnees which inquire after their safety, and have followed up in the field on those people who did not return their questionnaires after going back to their hometowns. Since December of 1984, ICM has screened over 6,500 returnees at the San Salvador airport. It has encountered two cases of returnee deaths-one a victim of an armed robbery, the other a victim of an argument in a bar over a soccer match. There is simply no indication that Salvadorans being returned from the United States are being particularly exposed to harm, and until such evidence surfaces, I do not believe it appropriate to suspend United States immigration laws for the nationals of one particular country.

Finally, the United States sends over \$20 million a year to displaced persons camps in El Salvador to attend to those Salvadorans who are unwilling to live in their home provinces because of the conflict. I believe this solution is much prefereble to a blanket suspension of deportation in the United States, and the United States' generosity in this instance should not be disregarded. To state, as you do, that "the authorities and members of the Government of the United States have closed their doors and their hearts against the suffering of my people," is inaccurate and offensive. No country receives more special attention for its returnees than El Salvador, and no country in this

hemisphere receives such attention for the displaced people among its population. Until evidence arises of specific harm being likely to occur to Salvadorans returning today to their country, the U.S. Government's policy toward Salvadorans simply cannot be fairly criticized.

You state in your letter that "deportation is an act which is contrary to the law of our Father who asked that we 'clothe the naked, feed the hungry, give refuge to the persecuted . . . " In fact, to suspend the deportation of every single Salvadoran who is present in the United States today—no matter his reasons for being here or his fears of returning-would be to jeopardize the most generous refugee policy in the world today. No country accepts for permanent resettlement more refugees than the United States. In fact, the United States accepts as many refugees for permanent resettlement as the rest of the world combined. Much of the generosity of this policy is based on the "Christian love" that you invoke in your letter. However, the wholesale acceptance of all Salvadorans presently in the U.S. would seriously jeopardize our ability to admit refugees from other corners of the world, particularly those who face a probability of persecution if they are returned. If the United States is to continue to play the leading role in refugee resettlement in the world today, it must be able to decide whom it shall and shall not admit, or else public support for such a program will lessen and dissipate.

Your letter asks us to support measures such as the DeConcini-Moakley bill "in the name of the international laws expressed in the Refugee Protocols of the United Nations and the Refugee Act of 1980." In fact, the DeConcini-Moakley bill is a specific expansion of the international commitments that the United States has under the U.N. Protocol Relating to the Status of Refugees. The Refugee Act of 1980 is the manner by which we conform to our international obli-

gations under the U.N. Protocol, and it creates a system called political asylum, which would grant refugee status to anyone who could prove he or she had a "well-founded fear of persecution, based on race, religion, nationality, membership in a particular social group, or political opinion." However, neither the U.N. Protocol nor the Refugee Act of 1980 requires that we grant temporary or permanent refuge to anyone who is escaping random violence due to a civil conflict in his or her country. It is simply inac-curate for you to refer to these legal instruments as justification for the suspension of the deportation of all Salvadorans who are in the United States in an illegal immigration status.

I will be most pleased to visit with you further on our mutual attempts to address the plight of Salvadorans who are fearful of the civil strife in their country. The United already treats Salvadoran immigrants in a very special manner, and I do not object to this. I do, however, believe that it would seriously jeopardize overall U.S. refugee policy if we were to relax our immigration laws in a blanket manner toward all Salvadorans who have left their country-no matter what the reason.

Thank you for this opportunity of expres-

sion.

Most sincerely,

ALAN K. SIMPSON, Chairman, Subcommittee on Immigration and Refugee Policy.

MESSAGES FROM THE PRESI-DENT RECEIVED DURING AD-JOURNMENT

Under the authority of the order of the Senate of July 17, 1986, the Secretary of the Senate, on July 18, 1986, during the adjournment of the Senate. received a message from the President of the United States transmitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on July 17, 1986 are printed at the end of the

Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:21 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 5161. An act making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1987, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 371. A concurrent resolution to correct technical errors in the enrollment of the bill H.R. 3511.

The message further announced that the House has agreed to the following resolution:

H. Res. 500. A resolution relative to the death of the Honorable George M. O'Brien, a representative from the State of Illinois.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 5161. An act making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1987, and for other purposes; to the Committee on Appropriations.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3473. A communication from the Deputy Associate Director for Royalty Management. Minerals Management Service. Department of the Interior, transmitting, pursuant to law, a report on the refund of certain excess payments of offshore lease revenues; to the Committee on Energy and Natural Resources

EC-3474. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60 day period prior to July 14, 1986; to the Committee on For-

eign Relations.

EC-3475. communication A Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-186 adopted by the Council on June 24, 1986; to the Committee on Governmental Affairs.

EC-3476. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law. copies of D.C. Act 6-187 adopted by the Council on June 24, 1986; to the Committee on Governmental Affairs.

EC-3477. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-184 adopted by the Council on June 24, 1986; to the Committee on Governmental Affairs.

A communication from the EC-3478. Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-185 adopted by the Council on June 24, 1986; to the Committee

on Governmental Affairs.

EC-3479. A communication from the Acting Special Counsel of the Merit Systems Protection Board, transmitting, pursuant to law, a report on the investigation of the Secretary of Defense into allegations of the overpricing of components being sold to the Defense Electronics Supply Center by Koehlke Components, Incorporated; to the Committee on Governmental Affairs

EC-3480. A communication from the Administrator of the Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental

Affairs.

EC-3481. A communication from the Secretary of the Postal Rate Commission, transmitting, pursuant to law, a decision of the Commission in a hearing on changes in collect on delivery service; to the Committee on Governmental Affairs.

EC-3482. A communication from the Board of Directors of the Seventh Farm Credit District Retirement Plan, transmitting, pursuant to law, the financial state-ments of the Plan for calendar years 1985 and 1984; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES SUB-MITTED DURING ADJOURN-MENT

Under the authority of the order of the Senate of July 17, 1986, the following reports of committees were submitted on July 18, 1986, during the adjournment of the Senate:

By Mr. Packwoop, from the Committee on Finance, with an amendment:

H.J. Res. 668. Joint resolution increasing the statutory limit in the public debt (Rept. No. 99-335).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. Thurmond, from the Committee on the Judiciary, without amendment:

S. 524. A bill to recognize the organization known as the "Retired Enlisted Association Incorporated" (Rept. No. 99-336).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. INOUYE:

S. 2656. A bill to permit the naturalization of certain Filipino war veterans; to the Committee on the Judiciary.

By Mr. HATCH:

S. 2657. A bill to amend Part C of title IV of the Social Security Act to provide for grants to States for programs to promote the training and employment of individuals receiving aid to families with dependent children; to the Committee on Finance.

S. 2658. A bill to authorize the establishment of demonstration programs to provide assistance to needy children deprived of parental support of care by reason of the unemployment of a principal wage-earning parent; to the Committee on Finance.

By Mr. GORE:

S. 2659. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to require the Administrator of the Environmental Protection Agency to establish, monitor, and enforce efficacy standards for antimicrobial control agents used to control pest microorganisms that pose a threat to human health, and for other purposes; to the Committee on Agriculture, Nutrition,

and Forestry.

By Mr. BYRD (for Mr. BENTSEN (for Mr. BOREN himself, Mr. Danforth, Mr. Boren, Mr. Roth, Mr. Domenici, Mr. RIEGLE, Mr. HEINZ, and Mr. SYMMS)):

S. 2660. A bill to prevent burdens or restrictions upon the international trade of the United States by reason of the activities of state trading enterprises; to the Committee on Finance.

By Mr. GRASSLEY:

S. 2661. A bill to improve the quality of teaching in American secondary schools and

enhance the competence of American secondary students and thereby strengthen the economic competitiveness of the United States, and for other purposes; to the Committee on Labor and Human Resources

By Mr. STEVENS (for himself and Mr. INOUYE) (by request):

S. 2662. A bill to direct the Secretary of Transportation to enter into certain contracts and contract amendments to develop and deregulate the United States-flag liner fleet; to the Committee on Commerce, Science, and Transportation.

By Mr. CHAFEE (for himself, Mr. Bentsen, and Mr. Lugar): S. 2663. A bill to authorize trade negotia-

tions on technology transfers and the protection of intellectual property rights, and for other purposes; to the Committee on Fi-

By Mr. GORTON:

S. 2664. A bill to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal year 1987, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. SYMMS (for himself, Mr. Bur-DICK, Mr. HECHT, Mr. ABDNOR, Mr. MELCHER, Mr. BENTSEN, Mr. COCH-RAN, Mr. SIMPSON, Mr. DECONCINI, Mr. HATCH, Mr. BAUCUS, and Mr. Do-MENICI):

S. 2665. A bill to amend the national maximum speed limit law; to the Committee on Commerce, Science, and Transportation.

By Mr. BUMPERS (for himself and Mr. Ford):

S. 2666. A bill to provide for a study by the Federal Communications Commission of the encryption of certain television programming, and ensure the availability of certain encrypted programming for private viewing under competitive market conditions; to the Committee on Commerce, Science, and Transportation.

By Mr. BYRD (for Mr. BENTSEN (for himself, Mr. Chafee, Mr. Chiles, Mr. DURENBERGER, Mr. BAUCUS, GRASSLEY, and Mr. BRADLEY)):

S. 2667. A bill to amend title XIX of the Social Security Act to permit States the option of providing prenatal, delivery, and postpartum care to low-income pregnant women and of providing medical assistance to low-income infants and children under 6 years of age; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DIXON:

S. Res. 448. A resolution expressing the sense of the Senate that the President should take immediate steps to increase U.S. agricultural exports; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HEINZ (for Mr. Dixon (for

himself and Mr. Simon)):

S. Res. 449. A resolution relative to the death of the Honorable George M. O'Brien, a Representative from the State of Illinois; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. INOUYE:

S. 2656. A bill to permit the naturalization of certain Filipino war veterans; to the Committee on the Judiciarv.

NATURALIZATION OF CERTAIN FILIPING WAR VETERANS

• Mr. INOUYE. Mr. President, today I am introducing companion legislation to H.R. 1302, which would permit the naturalization of Filipino World War II veterans who are facing possible deportation from the United States.

In March 1942, Congress amended the Nationality Act of 1940 to allow for the naturalization of Filipino veterans who served honorably in our armed services during World War II. These veterans, however, were unable to take advantage of the naturalization process for 9 months as a result of a decision made by the Attorney General to remove the naturalization examiner from the Philippines.

In January 1984, the Supreme Court

ruled that the Justice Department is not prohibited by a previous decision from challenging the citizenship applications of these Filipino veterans. While this decision remains on appeal, these 1,600 or so veterans who are at retirement age, and who have served their community as well as our country honorably, still face the possibility

of being deported.

To fulfill an American promise and to prevent the possibility of them being deported, this legislation would then assist these veterans in being naturalized by extending the date which they should petition the Immigration and Naturalization Service for naturalization. It would also restrict this opportunity to those veterans currently residing in the United States.

Mr. President, I ask unanimous consent that the text of my bill be printed

in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2656

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding sections 310(b) and 329(d) of the Immigration and Nationality Act (8 U.S.C. 1421(d), 1440(d)) and clause (3) of section 701 of the Nationality Act of 1940, the Attorney General shall provide, in accordance with the provisions of title III of the Nationality Act of 1940 (as in effect before December 24, 1952), for the naturalization of nationals of the Philippines who-

(1) are present in the United States (as defined in section 101(a)(38) of the Immigra-tion and Nationality Act) both as of the date of the enactment of this Act and as of the date of their application for naturaliza-

(2) would have been eligible for naturalization under such title as of December 31. 1946, but for the fact that they did not file a petition for naturalization under such title before January 1, 1947; and

(3) apply for such naturalization not later than 90 days after the date of the enactment of this Act.

By Mr. HATCH:

S. 2657. A bill to amend part C of title IV of the Social Security Act to provide for grants to States for programs to promote the training and employment of individuals receiving aid to families with dependent children; to the Committee on Finance.

S. 2658. A bill to authorize the establishment of demonstration programs to provide assistance to needy children deprived of parental support or care by reason of the employment of principal wage-earning parent; to the Committee on Finance.

WELFARE REFORM LEGISLATION

Mr. HATCH. Mr. President, today I am introducing two bills entitled the "Work Incentive Block Grant Act" and the "Pro-Family Preservation Act." These two proposals I add to the fire of the debate-how can we win the war on poverty? As we see more families falling into poverty, we must search for innovative and flexible solutions—solutions that help families rise from welfare dependency to self-sufficiency. Today, I offer two proposals in an effort to spark the debate and continue discussions on welfare reform.

The first bill I am introducing today is the "Work Incentive Block Grant Act." The Work Incentive (WIN) Program was enacted in 1967 to assist recipients of Aid to Families with Dependent Children [AFDC] prepare for good jobs. However, this well-intentioned effort has not lived up to its ex-

pectations or its potential.

A 1982 report to the General Accounting Office found that only 14 percent of WIN participants were employed 6 to 18 months after completing their programs. Of those who found jobs, less than half attributed their success to WIN. Testimony we have received in the Labor and Human Resources Committee, during our recent hearing on re-entry women, pointed out the administrative difficulties of dealing with the WIN system and urged our reform of the program.

Mr. President, at nearly \$8 billion annually, AFDC is one of the largest Federal entitlement programs. Clearly this fact indicates that the need for job training is too great to eliminate the small expenditure we are making for the WIN Program, I supported an amendment to the budget resolution earlier this year to restore funding for the WIN Program. However, we owe it to the taxpayers to make this program run more efficiently and effectively as well as to the participants who see WIN as a route to economic independence. We cannot put off examining this program any longer. The vote to restore funding was not a vote of confidence, it was a promise to act on substantive reform.

My proposal would steamline WIN, enabling us to concentrate resources on training, not on bureaucracy. The Work Incentive Block Grant Act makes four basic reforms

First, registration for WIN, JTPA, or Community Work Experience Programs would be required of all AFDC recipients except those in very special circumstances. Presently, only 40 percent are required to register for WIN and only half of those actually participated. However, even if an enrollment opportunity is not immediately available, AFDC recipients must recognize that public assistance is temporary while they qualify themselves for employment. Reliance on AFDC or other public assistance programs cannot be viewed as a way of life. The registration for training requirement is a minimal responsibility for the recipient.

Second, States would have more flexibility to adapt WIN to other training programs in the States. Specifically, the bill allows States the option of merging funds designated for the WIN Program with title II-A of JTPA for the purpose of serving AFDC clients. This would eliminate almost the entire WIN administrative apparatus, permitting higher allocation.

Third, the bill requires the involvement of JTPA's private industry councils whether the allocation is merged or not. Training programs must be developed locally, which more accurately reflect the types and levels of occupational skills most in demand by employers.

Finally, the bill clarifies Federal responsibilities under the program, vesting the administration of WIN with the Department of Health and Human Services, a set-up which lends itself to creating duplication, confusion and ineffectiveness.

These are fairly modest reforms. If enacted, however, they could go a long way toward upgrading this training program and achieving better results for the money we are expanding for it. We must keep faith with the taxpayers by dealing with the obvious problems in the program and with AFDC recipients who want a better way of life by improving the quality of their training and therefore the prospect of steady, productive employment.

The second bill I am introducing today is the "Pro-Family Preservation Act." This legislation is designed to complement the current AFDC-UP Program by allowing nonparticipating States to design programs help two-parent families who have few economic resources and who need short-term support to become self-sufficient.

The AFDC Program was initially developed in the early twentieth century to help impoverished families remain intact by providing them financial assistance. When enacted, Theodore Roosevelt described the law in this

Children of parents . . . suffering from temporary misfortune, and children . . .

who are without support of the normal breadwinner should be kept with their parents . . . given aid as may be necessary to maintain . . . homes for the rearing of children

In including the AFDC Program in the Social Security system in 1935, the intent of Congress was described as follows:

For the purpose of encouraging the care of dependent children in their own homes . . . to help maintain and strengthen family life and to help parents . . . attain or retain capability for the maximum self-support and personal independence.

Today our Federal AFDC Program has changed. Eligibility requirements for AFDC are not based primarily on need, but on certain other criteria. One that we in Congress need to reevaluate is the requirement that fathers be out-of-the-household before a family can get any help. The legislation I am introducing today will help AFDC families remain intact as they move out of welfare dependency.

We do have one program with this aim-the AFDC-UP Program. Congress created this option to discourage parents from separating as a way for the mother and children to qualify for aid. However, some States, including my home State of Utah, have been forced to withdraw from this well-intentioned program because of fiscal problems. The legislation I am introducing would encourage States not now offering AFDC-UP to provide some assistance to two-parent families, to allow States to apply tougher work requirements and incentives to these families, and to give financially strapped States that may be forced to drop it an alternative to doing so.

Specifically, this legislation is designed to allow States the flexibility to develop two parent programs, to develop work or training programs for either spouse, and to expand child care opportunities for families who are AFDC qualified. This demonstration program is not intended to supplant the existing AFDC-UP Program, merely provide incentives for those States currently not involved to develop flexible programs for intact families.

AFDC-UP is currently utilized in 23 States. Other States are reluctant to get involved in AFDC-UP because of fiscal and administrative restraints. The AFDC-UP Program presently requires that in order to be eligible, a family must establish that the principal earner meets an earnings history requirement. This requirement is extraordinarily complex. The test is so complicated that it is difficult to administer and may result in numbers of needy families being denied assistance-either because they do not meet the earnings history requirement or because they and welfare workers cannot navigate the intricacies of the system even if the family has a longstanding work history.

The State of Utah had to abandon AFDC-UP, but developed an alternative two-parent family program entitled "The Emergency Work Program." I ask unanimous consent that its summary and evaluation be included in the RECORD at the conclusion of my remarks. Utah has had great success in targeting programs to help families in need of assistance. The cost of the program has been one-tenth of the cost of the AFDC-UP Program while serving almost as many families. I hope other States without an AFDC-UP Program will be able to achieve the benefits of Utah's innovative program.

Mr. President, I hope all Senators will join me in a movement to enact

these reforms.

I ask unanimous consent that the text of both bills be printed in the RECORD.

There being no objection, the bills and summary were ordered to be printed in the Record, as follows:

S. 2657

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Work Incentive Block Grant Act".

SEC. 2. STATE WORK INCENTIVE PROGRAMS FOR RECIPIENTS OF AFDC.

(a) IN GENERAL.—Part C of title IV of the Social Security Act is amended to read as follows:

"PART C-STATE WORK INCENTIVE PROGRAMS FOR RECIPIENTS OF AID TO FAMILIES WITH DEPENDENT CHILDREN

"PURPOSE

"Sec. 430. The purpose of this part is to promote the establishment, by any State with a State plan approved under section 402, of a work incentive program (hereafter in this part referred to as a "State program") to furnish incentives, opportunities, and necessary services to individuals receiving aid under such plan in order to promote (1) the employment of such individuals in the regular economy, and (2) the training of such individuals for work in the regular economy, thus restoring such individuals and their families to independence and to useful roles in the community. It is expected that individuals participating in a State program established under this part will acquire a sense of dignity, self-worth, and confidence which will flow from being recognized as a wage-earning member of society and that the example of a working adult in these families will have beneficial effects on the children in such families.

"AUTHORIZATION OF

"Sec. 431. (a) There is authorized to be appropriated to the Secretary of Health and Human Services (hereafter in this part referred to as the "Secretary") for the fiscal year 1987 and each succeeding fiscal year \$250,000,000 to make grants to States in accordance with this part.

"(b)(1) Of the sums appropriated pursuant to subsection (a) to carry out the provisions of this part for any fiscal year—

"(A) an amount of not more than 15 per centum shall be expended by the Secretary to administer the program of grants established under this part for such fiscal year, and

"(B) an amount of not less than 85 per centum shall be allotted to States with a State program approved under this part for such fiscal year in accordance with the for-

mula described in paragraph (2).

"(2) The total amount available for allotment to States under paragraph (1)(B) for a fiscal year shall be allotted in accordance with a formula under which each such State receives an amount that bears the same ratio to such total as the average number of individuals in such State who, during the month of January last preceding the beginning of such fiscal year, were registered pursuant to section 402(a)(19)(A) bears to the number of individuals in all such States who, during such month, were so registered.

'(c) The Secretary shall make payments to a State from its allotment under subsec-(b)(2) in accordance with section 6503(a) of title 31, United States Code.

"(d) A State may transfer any portion of its allotment under this part for any fiscal year for use under part A of title II of the Job Training Partnership Act for such fiscal year. Amounts so transferred shall be used to provide training under such part to individuals registered pursuant to section 402(a)(19)(A) of this Act and shall not affect the computation of the State's allotment under such part but shall otherwise treated as if they were paid to such State under such part. The State shall promptly inform the Secretary of any transfer made by such State under this subsection.

(e) In carrying out the purposes of this part a State may make grants to, or enter into agreements with, public or private agencies or organizations (including Indian tribes with respect to Indians on a reserva-

tion).

"(f) Payments to a State from its allotment for any fiscal year must be expended by the State in such fiscal year or in the

succeeding fiscal year.

"(g) No portion of any allotment made to a State under this part may be used to pay for the administrative costs incurred by a State in administering a program established under this part.

"USES OF GRANTS

"SEC. 432. (a) A State to which an allotment is made under this part shall use such allotment to maintain a State work incentive program for individuals who are reto register pursuant to section 402(a)(19)(A).

"(b)(1) A State program shall include

(A) a program placing as many such individuals as is possible in employment, which may include intensive job search services and participation in group job search activities

"(B) a program utilizing on-the-job train-

ing positions,

"(C) a program of institutional and work experience training for those individuals for whom such training is likely to lead to regu-

lar employment, and

(D) a program of testing, counseling, and referral that is designed to promote the participation by individuals in activities included in the State program that are most likely

to lead to regular employment.

"(2) To the extent practicable and where necessary, State programs established under this part shall include program orientation, basic education, training in communications and employability skills, work experience, institutional training, on-the-job training, job development, and special job placement and followup services, required to assist participants in securing and retaining employment and securing possibilities for advancement.

"(c) Amounts allotted to a State under section 431(b)(2) may be used to pay, to any member of a family participating in employment training under a State program, allowances for transportation, child care, and other costs incurred by such family member, to the extent that such costs are specified in the employability plan developed for such member in accordance with section 433(a)(2)(F) and are necessary, and directly related, to the participation by such member in such training.

"(d) None of the funds made available under this part may be used to provide public service employment for any individregistered pursuant to section 402(a)(19)(A) for a State program established under this part or for the payment of wages to any such individual.

"APPLICATION

"SEC. 433. (a) Any State desiring to receive a work incentive block grant under this part for a fiscal year shall submit an application to the Secretary at such time as the Secretary prescribes. Such application shall-

"(1) designate an entity to administer the State program established by such State

under this part; and "(2) provide assurances that-

"(A) such program will operate in each political subdivision of the State in which there is a significant number of individuals who have attained age 16 and are receiving aid to families with dependent children;

"(B) efforts will be made to-

"(i) operate such program in political subdivisions other than those described in subparagraph (A), or

(ii) provide transportation for individuals residing in such political subdivisions to subdivisions of the State in which such pro-

gram is in operation;

"(C) the present level of employment services available under the authority of State law to recipients of aid to families with dependent children will not be reduced as a result of the operation by such State of a State program approved under this part;

"(D) the entity designated to administer such program will utilize the services of each private industry council (as established under the Job Training Partnership Act) to identify and provide advice on the types of jobs available or likely to become available in the service delivery area of such council and will not conduct, in any area, institutional training which is not related to jobs of the type which are, or are likely to become, available in such area;

"(E) the chief executive officer of such State will make every effort to coordinate the State program established under this part with activities provided by private industry councils in the State under the Job

Training Partnership Act;

"(F) there will be developed for each individual registered for the State program pursuant to section 402(a)(19)(A) an employ-

ability plan which-

"(i) describes the education, training, work experience, and orientation that such individual needs to complete in order to enable such individual to become self-supporting, and

'(ii) specifies the amount (if any) of the allowance payments authorized by section 433(c) that should be made to such individual in order to enable such individual to

complete such program; '(G) the entity designated to administer the State program will promptly report to the agency administering or supervising the administration of the State plan approved under section 402(b) any refusal without good cause to accept employment or to participate in an activity conducted under such program by an individual registered for such program pursuant section to 402(a)(19)(A);

"(H) any costs incurred by the State in administering the State program will be paid for with funds other than funds provided to the State by the Federal Government; and

"(I) no individual registered for the State program pursuant to section 402(a)(19)(A) will participate in activities conducted under any State program established under this part for periods totaling more than two

"(b) An application submitted pursuant to subsection (a) shall be accompanied by a statewide operational plan which shall prescribe how the State program will be operated at the local level, and shall indicate (1) for each area within the State, the number and type of positions which will be provided for training and for on-the-job training, (2) the manner in which information provided by the private industry council under the Job Training Partnership Act for any such area will be utilized in the operation of such program, and (3) the particular agency or organization which will be responsible for each of the various activities and functions to be performed under such program.

'(c) The Secretary shall approve or disapprove any State application made under this section within forty-five days after receipt

of the application.

"STATE REPORTS AND AUDITS

"SEC. 434. (a) Each State shall prepare reports on its activities carried out with funds made available under this part. Reports shall be in such form, contain such information, and be of such frequency (but not less often than every two years) as the State finds necessary to provide an accurate description of such activities, to secure a complete record of the purposes for which funds were spent, and to determine the extent to which funds were spent in a manner consistent with the purposes of this part. The State shall make copies of the reports required by this section available for public inspection within the State and shall transmit a copy to the Secretary. Copies shall also be provided, upon request, to any interested public agency and each such agency may provide its views on these reports to the Congress.

"(b) Each State shall, not less often than every two years, audit its expenditures from amounts received under this part. Such State audits shall be conducted by an entity independent of any entity administering activities funded under this part, in accordance with generally accepted auditing prin-Within thirty days following the completion of each audit, the State shall submit a copy of the audit to the legislature of the State and to the Secretary. Each State shall repay to the United States amounts ultimately found not to have been expended in accordance with this part, or the Secretary may offset such amounts against any other amount to which the State is or may become entitled under this part.

"(c) The provisions of section 6503(b) of title 31, United States Code, shall apply to grants made to States under this part.

"REPORT BY SECRETARY

"SEC. 435. The Secretary shall report annually to the Congress on work incentive programs established under this part. Each

report shall include an evaluation of the effectiveness of such programs in achieving the purposes of this part and their impact on and relationship to related programs.

(b) CONFORMING AND TECHNICAL AMEND-

(1)(A) Section 402(a)(8)(A)(iv) of the Social Security Act is amended by striking out all beginning with "(but" and ending with "and (3))".

(B)(i) Section 402(a)(19)(A) of such Act is

amended to read as follows:

'(A) that every individual (other than an individual determined by the State agency to fall within any reasonable category established by the State with respect to individuals to whom the requirements of this subparagraph shall not apply) shall be referred by such agency to, and as a condition of eligibility for aid under this part, shall register for a community work experience program established under section 409, a work incentive program established under part C of this title, or a program established under part A of title II of the Job Training Partnership Act, and for employment search (not to exceed eight weeks in total in each year)

(ii)(I) Section 407(b)(2)(C)(i) of such Act is amended by striking out "he is exempt under such section by reason of clause (iii)

thereof or"

(II) Paragraph (2) of section 409(b) of such Act is repealed.

(C) Section 402(a)(19)(C) of such Act is re-

pealed.

(D) Section 402(a)(19)(D) of such Act is amended by striking out "by section 432(b) (2) or (3)" and inserting in lieu thereof "in accordance with section 432(b)(1)(C)"

(E) Section 402(a)(19)(F) of such Act is amended in the matter preceding clause

(i) by striking out "(and for such period as is prescribed under joint regulations of the Secretary and the Secretary of Labor)'

(ii) by striking out "Secretary of Labor under section 433(g)" and inserting in lieu thereof "State agency administering or supervising the administration of the State plan, pursuant to a report made to such agency in accordance 433(a)(2)(G)"; with

(iii) by striking out "under a" and insert-

ing in lieu thereof "in the"; and

(iv) by striking out "by part C with respect to which the Secretary of Labor has determined his participation is consistent with the purposes of such part C" and inserting in lieu thereof "in such State under part C

(F) Section 402(a)(19)(G) of such Act is

amended-

(i) by striking out "section 432(b)(1), (2), or (3)" each place it appears and inserting in lieu thereof "section 432(b)(1)";
(ii) by striking out "in accordance with

the order of priority listed in section

433(a).

(iii) by striking out "certify to the Secretary of Labor" and inserting in lieu thereof 'refer to the entity designated to administer the work incentive program of such State";
(iv) by striking out "the Secretary of

each place it appears and inserting

in lieu thereof "such entity"; and

(v) by striking out "section 433(b)" and inserting in lieu thereof "section 433(b) and section 433(a)(2)(F)'

(G) Section 402(a)(19)(H) of such Act is amended by striking out "section 432(b)(1), (2), or (3)" and inserting in lieu thereof 'section 432(b)(1)"

(2) Section 403(c) of such Act is amended by striking out "section 432(b)(1), (2), or

(3)" and inserting in lieu thereof "section 432(b)(1)"

(3)(A) Section 407(b)(2)(A) of such Act is amended by striking out "be certified to the Secretary of Labor" and inserting in lieu thereof "register"

(B) Section 407(b)(2)(C)(i) of such Act is amended by striking out "he is exempt under such section by reason of clause (iii)

thereof or"

(C) Section 407(c) of such Act is amended by striking out all beginning with "no action is taken" through "pursuant" and inserting in lieu thereof "the parent is not registered (after the 30 thirty-day period referred to in subparagraph (A) of subsection (b)(2)) in accordance with the requirements of'

(D) Section 407(d)(1) of such Act is amended by striking out "the" the second place it appears and inserting in lieu thereof

(E) Section 407(e)(1) of such Act is amended by striking out "the work incentive program established by part C" and inserting in lieu thereof "a work incentive program established under part C"

(4) Section 409(b)(2) of such Act is re-

nealed

SEC. 2. PURPOSE.

(c) Effective Date.-The amendments made by this section shall apply to fiscal years beginning after September 30, 1986.

S. 2658

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, This Act may be cited as the "Pro-Family Preservation and Demonstration Program Act"

It is the purpose of this Act to authorize payments under part A of title IV of the Social Security Act with respect to State demonstration programs for the provision of assistance to families in which there is a needy dependent child and such child has been deprived of parental care or support by reason of the unemployment of a parent who is the principal earner, in order to maintain and strengthen family life and to help the parents of such child to attain or retain the capability for the maximum selfsupport and personal independence consistent with the maintenance of continuing parental care and protection of such child.

SEC. 3. AFDC UNEMPLOYED PARENT DEMONSTRA-TION PROGRAM.

GENERAL.-Notwithstanding any (a) IN provision of part A of title IV of the Social Security Act, any State that has a plan approved under section 402 of such Act may elect, as an alternative to the program of aid to dependent children of unemployed parents authorized by section 407 of such Act, to operate a demonstration program for the purpose of providing assistance with respect to a dependent child (within the meaning of subsection (a) of such section) parent who is a principal earner (within the meaning of subsection (d)(4) of such section) and who meets the requirements of subparagraphs (A), (B), and (C) of subsection (b)(1) of such section.

(b) STATE APPLICATION.

(1) CONTENTS.-The Governor of a State that desires to operate a demonstration program under this Act shall submit to the Secretary of Health and Human Services a letter of application stating such intent. Accompanying the letter of application shall be a State program plan which must-

(A) specify the agency that will conduct the demonstration program within the

(B) provide a statement of the objectives that the State expects to meet through operation of the demonstration program;

(C) describe the techniques to be used to achieve the objectives of the demonstration

program, which may include

(i) providing assistance to dependent children described in subsection (a) for a limited period of time, rather than on a continuing

(ii) imposing stricter work requirements by conditioning eligibility upon participation by the principal earner of a family to participate in a job-training, community work experience, work supplementation, or work incentive program;

(iii) (providing child-care benefits for par-

ents actively seeking employment;

(iv) providing that assistance be paid for services rendered by the principal earner of such family in a program described in clause (ii):

(v) providing training and employment services for parents through cooperative arrangements with the private sector; and

(vi) any other techniques that the Secretary determines will promote the purposes of this Act: and

(D) set forth the format and frequency of reporting of information regarding operation of the demonstration program.

(2) APPROVAL.-A State's application to establish a demonstration program under this Act shall be deemed approved unless the Secretary of Health and Human Services notifies the State in writing of disapproval within forty-five days of the date of application. The Secretary of Health and Human Services shall set forth the reasons for disapproval and provide an opportunity for resubmission of the plan within forty-five days of the receipt of the notice of disapproval. An application shall not be finally disapproved unless the Secretary of Health and Human Services determines that the State's program plan would be less effective than the requirements set forth in section 407 of the Social Security Act.

(c) STATE FLEXIBILITY.-Subject to the statement of objectives and description of techniques to be used in implementing a demonstration program under this Act, as set forth in its program plan, a State shall be free to design a program that best addresses its individual needs, makes best use of its available resources, and recognizes

local conditions.

(d) PERIOD OF OPERATION .- A demonstration program approved under this Act shall be in force for an initial three-year period, and may be extended for such additional periods as the Secretary deems appropriate. During the initial period, the State may elect to use up to six months for planning purposes. During such planning period, all requirements of part A of title IV of the Social Security Act shall remain in full force and effect.

Secretary EVALUATIONS.—The Health and Human Services shall conduct two evaluations of a State's demonstration program. The first evaluation shall be conducted at the conclusion of the first twelve months of operation of the demonstration program. The second evaluation shall be conducted three years from the date of the Secretary's approval of the demonstration program.

(f) PAYMENTS TO STATES.-Costs of a demonstration program established under this Act that would not otherwise be included as expenditures under section 403 of the Social Security Act shall, to the extent and for the period prescribed by the Secretary, be regarded as expenditures under the State plan approved under section 402 of such Act or for the administration of such plan, as may be appropriate.

(g) EFFECTIVE DATE.-This Act shall apply with respect to expenditures made in quarters beginning after the date of the enactment of this Act.

UTAH EMERGENCY WORK PROGRAM FOR UNEMPLOYED HOUSEHOLDS

BACKGROUND

In July 1981, Utah abolished the optional Federal/State AFDC-UP program for unemployed, two-parent households with dependent children. This assistance program was abolished because of sharply escalating enrollment and cost together with a state revenue shortfall. In 1983, community groups reported a critical situation. No assistance was available to many needy, unemployed two-parent households with dependent children. Families were breaking up to obtain assistance. In December 1983, the Utah State Legislature initiated the Emergency Work Program for unemployed households. In 1984, Federal demonstration matching funds were secured for the assistance provided to two-parent households with dependent children.

Initial eligibility requirements for assistance under the Emergency Work Program are identical to the National AFDC-UP Program. However, the performance requirements are different.

Requirements which are different:

1. A household member must participate 40 hours a week in a combination of job activities (job search, skill training, adult education, community work)

2. The spouse must search for a job unless excused for a good cause.

3. Payment is made bi-weekly after the household has met the performance requirement.

4. Participation is limited to six months in a 12 month period.

5. The benefit levels are designed to ensure that a household has an incentive to take a minimum wage job.

| | Biweekly benefits |
|-----------------|----------------------|
| Household size: | |
| 1 | \$100 |
| 2 | 140 |
| 3 or 4 | 200 |
| 5 or more | 220 |

The program serves unemployed twoparent families year round and unemployed single persons and couples during the winter months.

PRELIMINARY FINDINGS

The following compares the results of the Emergency Work Program with the AFDC-UP Program and a "no program" group. The "no program" group represents those terminated from the AFDC-UP program due to the program ending July, 1981.

| Characteristic | AFDC-UP 1980-81 | No program 1981-82 | EWP 1984-85 |
|---|--|------------------------------------|---|
| Benefit expenditures Administrative expenditures Job assistance expenditures Average length of stay on program Job placement rate (percent) | \$10,500,000 950,000 1,000,000 10 months 3 N/A | 1 N/A N/A N/A N/A 2 52 | \$450,000 70,000 80,000 9 weeks 70-78 |
| Average wage earned upon job placement | 5.12 | N/A | 5.80 |
| Divorce/separation and receipt of AFDC (percent) | 7.4 | 13.6 | 3.6 est. |

¹ The absence of any program resulted in significant benefit expenditu because of separation and receipt of AFDC as a single parent househe ² Based on survey of 55 families who were terminated from AFDC-AP with the program ended on June 30, 1981.

3 Not available

TABLE 2.1.—COMPARISON OF PROGRAM CHARACTERISTICS: AFDC-UP, NO PROGRAM, AND EWP

| Program characteristics | AFDC-UP 1980-81 | No program 1981 | EWP 1984- 85 |
|--|--------------------|--------------------|-----------------|
| Fathers average: | | I STATE OF | DE PUI |
| Age in years | 29.51 | 31.70 | 1 29.3 |
| Years of education | 11.46 | 10.70 | 11.20 |
| Barrier to work | Physical | Unknown | Physical |
| Mother's average: | | | |
| Age in years Years of education | 26.71 | 29.20 | 26.80 |
| Years of education | 11.01 | 11.22 | 11.20 |
| Barrier to work | Child care | Unknown | Child care |
| Number in household | 4.47 | 4.80 | 4.4 |
| Separation rate (percent) | Unknown | 23.2 | 7.0 |
| Separation and receipt of AFDC (percent) 2 | 7.4 | 13.4 | N/A |
| Length of stay w/o 30 day inter- | | | |
| ruption | 10 months | N/A | 11 weeks |
| Average case load | 1,935 | N/A | 138 |
| Unemployment rates (percent) 3 | 4 6.8 | 5 6.7 | 66.5 |
| Participation requirement | Sometimes | | |
| | WIN) | N/A | Always |
| Job search requirement | Sometimes | N/A | Always |
| Employment placement (percent) | Unknown | 51.8 | 69.0 |
| Mean wage | \$5.12 | N/A | \$6.36 |
| Mean wage | \$415 | N/A | \$433 |
| Average monthly grant 7 | \$422 | N/A | \$294 |
| Grant cost per household | * 4,220 | N/A | \$810 |
| Annual grant cost | | N/A | 9 \$496,492 |

Defined as program participant for the EWP.
 Receipt of AFDC as a separated or divorced household 6 months later for AFDC-UP, and 5 or 6 months later for the No program group. Data are incomplete and not available at this time for the EWP group.
 Labor market information services, Utah Department of Employment Security, nonseasonally adjusted state averages.
 January 1980 to June 1981.
 July 1981 to November 1981.
 June 1984 to June 1985 (January '85 forecast.)
 Monthly grant expenditures divided by the number of cases served monthly.

rage monthly grant times the average length of stay of 10 months usted annual grant cost.

LESSONS LEARNED FROM UTAH WORK PROGRAM

1. Community work programs need to be combined with job search, adult education, skill training, and job placement. Community work programs are not effective unless combined with other employment activities directed toward employment.

2. Staff and recipients respond to expectations. If expected to get a job and supported in that effort, recipients secure employment. The expectation and goal of employment must be continually emphasized to staff and recipients. Activities, such as community work, must be only a means to the employment end.

3. Involvement in employment related activities increases job placement.

4. Clients can be successfully involved in employment activities on a voluntary basis. Utah's self sufficiency effort is focused on AFDC families with children under age 6 who are WIN exempt. Every AFDC appli-cant is encouraged to become self sufficient and referred to self sufficiency teams for information and employment assistance.

While payment after performance would be difficult to apply to food stamp only cases, the procedure works with selectgroups, such as two-parent families receiving financial assistance. Payment after performance sharply increases involvement in employment activities and makes assistance similar to an educational grant or a

6. Assistance programs need to utilize and hold accountable programs with employment expertise and services such as JTPA.

7. Employment programs enhance the image of both the assistance program and the clients.

8. Work fare programs which establish the level of participation by dividing the assistance amount by the minimum wage do not work. This procedure is an administrative nightmare and detracts from the essential purpose of permanent employment.

9. Adequate federal funds must be available to states to operate quality work programs. Employment programs for Food Stamp recipients will save the federal government funds by reducing coupon issuance. The federal government should provide at least 75 percent federal matching.

10. Any federal employment effort for food stamp recipients must provide state flexibility and be goal (job) oriented.

By Mr. GORE:

S. 2659. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to require the Administrator of the Environmental Protection Agency to establish, monitor, and enforce efficacy standards for antimicrobial control agents used to control pest microorganisms that pose a threat to human health, and for other purposes: to the Committee on Agriculture, Nutrition, and Forestry.

HOSPITAL DISINFECTANT AMENDMENT

• Mr. GORE. Mr. President, over the past 4 years, the Federal Government has let a potential disaster develop in America's hospitals, and most doctors, patients, and administrators don't even know about it. The fact is, going into the hospital these days could be enough to make you sick. Many hospital disinfectants do not work, and some actually carry the bacteria they are meant to kill. Yet the administration stopped testing these chemicals in 1982 and has no plans to resume it.

Hospitals use disinfectants to clean floors, beds, some medical instruments, and other areas where germs can spread. But studies show that chemicals fail at least 20 percent of the time, leaving bacteria and viruses to infect other patients. According to the Public Health Service, 2 million Americans become infected in hospitals each year. These secondary infections cause 20,000 deaths annually and cost the Nation an estimated \$2.5 billion.

Manufacturers can get away with selling ineffective disinfectants because the administration lets companies test the products themselves. In the past, a Federal laboratory checked disinfectants to make sure they worked. But administration officials shut down the lab in 1982, even though failure rates were running as high as 72 percent. The Government refuses to open it again despite several studies confirming the extent of the problem.

The results are shocking and tragic. Two years ago, for example, doctors at the Mayo Clinic used a bronchoscope to examine the lungs of a tuberculosis victim. They disinfected the instrument and used it on a patient who did not have the disease. After treating a third patient, the doctors discovered that the disinfectant had failed. The bronchoscope still carried tubercular germs-and in the meantime two patients had been exposed to TB. The

clinic had to treat the two for several months to keep them from developing the disease.

State testing laboratory found samples that contained large amounts of the microorganisms they were designed to fight. Using a contaminated disinfectant to kill germs is like trying to put out a fire with gasoline.

Our society cannot afford to ignore this problem any longer. We spend more than \$450 billion a year on health care, yet the administration refuses to spend the \$500,000 it would take to make sure our hospitals are

clean and safe.

Mr. President, this afternoon I am introducing an amendment to the Federal Insecticide, Fungicide, and Rodenticide Act to require the Environmental Protection Agency to monitor disinfectants at hospitals, nursing homes, and other health care facilities once again. The amendment simply requires the EPA to resume the testing and enforce the efficacy standards that worked so well for decades.

Many hospitals are just becoming aware of this problem and will need our help to solve it. Government has a duty to protect people against threats they can neither see nor control. We must not let the agencies that should be looking out for the public fall

asleep at the wheel.

Mr. President, we place tremendous faith in our hospitals and public health officials. Americans will not stand for products that don't work-or Government that fails to do its job.

> By Mr. BYRD (for Mr. BENTSEN, for himself, Mr. Boren, Mr. ROTH, Mr. DOMENICE RIEGLE, Mr. HEINZ, and Mr. SYMMS)

S. 2660. A bill to prevent burdens or restrictions upon the international trade of the United States by reason of the activities of State trading enterprises; to the Committee on Finance.

ANTI-MERCANTILISM TRADE ACT • Mr. BENTSEN. Mr. President, it is often said that even if we could abolish all the unfair trade practices in the world, it would not affect our trade deficit by more than a few percentage points. However, such statements fail to take account of the extent of the unfair trade practices in the world today. Unfair trade practices are not limited to the traditional areas of heavy legal interest; they reflect a much broader process of creeping mercantilism, which is undermining the open multilateral trading system.

A year ago, the Senate Democratic Working Group on Trade Policy-of which I am pleased to be the chairman-warned of the devastating importance of mercantilism. I urge Senators to study the report we issued on that subject. I will only give Senator Webster's definition of mercantilism

here:

Mer-can-til-ism . . . an economic system intended primarily to unify and increase the power and especially the monetary wealth of a nation by a strict governmental regulation of the entire national economy usually through policies designed to secure an accumulation of bullion, a favorable balance of trade, the development of agriculture and manufactures, and the establishment of foreign trading monopolies.—Webster's Third New International Dictionary.

The Economist magazine recently printed a chart showing state ownership of 11 industries in 18 major countries. No other country owns so few of the major industries in its economy as the Government of the United States.

In the United States, the Government owns one, the postal system; the chart also shows that the United States and State governments in the United States own 25 percent of electric power generation and 25 percent of the railroad system. Public ownership of these businesses is small, and they are not directly related to our traded sectors, so public ownership probably does not have much impact on international trade.

Compare the other 18 major countries. The Government of West Germany owns all of its telecommunications industry, its railways, and its airlines. It owns substantial chunks of electricity, gas, coal, and even of its motor industry and shipbuilding. Of the 11 categories, only one-steel-is entirely in private hands in West Germany. Only one of the 11 categories is in private hands in France. In Austria, Great Britain, Italy, and Mexico, none of these 11 industries are in private hands, where they exist.

Consider the impact of state ownership on one American industry, telecommunications. The United States is a world-class competitor in the telecommunications industry. Yet the telecommunications industry is in private hands in only one country on this list: the United States. In Canada, government owns 25 percent of the industry; in Spain, government owns half. In the rest, government owns it all. Frequently, those governments do not let those companies buy American products to prevent putting people out of work in that country. Imagine the impact on our exports.

In fact, virtually every industry is the subject of mercantilism somewhere in the world. In agricultural products, natural resources such as petroleum and copper, chemicals, steel, shipbuilding, aircraft, and dozens of others, national governments either run the enterprise as a government agency or own a controlling interest.

Does that mean we should try to abolish national ownership of industries? No. Mr. President, it does not.

For one thing, we cannot abolish government ownership of trading enterprises. The decision of a foreign country to undertake a business as a

state enterprise is so common that America is the exception in favoring private ownership, not the rule. IRI, the Italian state holding company, is said to be the largest single employer in the European Common Market.

However, we should insist that nations which engage in trading by national enterprise obey the international rules. These rules are set out in the General Agreement on Tariffs and Trade [GATT].

First, the GATT defines "state trading," broadly. The definition includes enterprises that are granted "exclusive or special privileges," as well as any enterprise owned by government.

Second, the GATT sets out a simple rule: Such enterprises shall make purchases or sales in accordance with commerical considerations. The GATT even defines commercial considerations. It includes considerations of price, quality, availability, marketability, transportation, and other conditions of purchase or sale.

Third, the GATT requires that governments which run trading enterprises give other firms the benefits of most-favored-nation treatment, that they afford foreign enterprises the opportunity to compete for participation in purchases and sales, and that they may not prevent any enterprises under their jurisdiction from operating in accordance with these rules.

National enterprise trading that fails to meet the GATT commercial considerations test is probably a more harmful unfair trading practice than even dumping or subsidization, but so far, our Government is doing nothing to control its harmful effects. Many GATT rules have been implemented in U.S. law, but the United States has never implemented the GATT rules on state trading. The bill that we are introducing today implements these international rules.

First, it provides that national enterprise trading that does not measure up to the international standard-commercial considerations-may be in the subject of a section 301 investigation. Section 301 is that part of our trade laws which allows the President to relate for foreign unfair trade barriers. State trading that is not conducting in accordance with the GATT's commercial considerations rule is mercantilism, and it is, by definition, an unfair trade practice. We have the right to proceed in GATT against it. This bill makes that explicit.

Second, this bill authorizes the U.S. Trade Commission International [ITC] to prevent national enterprises that do not adhere to the GATT commercial considerations rule from having free access to the U.S. market. Under the bill, following an investigation, the ITC can place a quota on imports sold in violation of the GATT rules at the level imports would have

reached if the GATT rules had been obeyed, or the ITC can order the violation of the GATT to cease and desist, which will be useful in those cases where a foreign government agrees to come into compliance with the GATT rules. A special provision allows the President to veto any such order.

This bill also authorizes international agreements to eliminate mercantilism. This would include making mercantilism an important item on the agenda of the new round of multilateral trade negotiations, as well as the agenda of any bilateral negotiations.

We also call for special attention to applications to join the GATT. Costa Rica, Mexico, China, and Morocco have applied for GATT membership. Each of these countries have some national enterprises; in Mexico, there are 850 national enterprises, and China, or course, has no private enterprise.

This bill requires the President to assure these countries will abide by the GATT rules on national enterprise trading or, failing that, requires him to get congressional approval of the rules under which these countries will be allowed to join the GATT. The procedure for such approval would be the same procedure now prescribed in the Trade Act for approval of trade agreements. Such a special bilateral agreement with China was approved by Congress in 1982 before China applied to join the GATT.

I ask unanimous consent that a copy of this bill and a section-by-section analysis be printed in the RECORD, and I urge Senators to support this bill as a way of continuing to press the administration to live up to its promise of last fall. At that time, President Reagan said, "Above all else, free trade is, by definition, fair trade.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2660

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Anti-Mer-cantilism Trade Act of 1986".

SEC. 2. FINDINGS.

The Congress finds that-

- (1) United States trade policy is based upon the assumption that the benefits of trade agreements will be reflected in exchanges between private agents on terms negotiated between the private agents, but enterprises in the United States are facing competition which is owned or controlled by, or may even be a part of, a foreign government;
- (2) such state enterprises exist in market as well as nonmarket economies and developed as well as developing economies and their activities affect a significant portion of world trade;
- (3) such state enterprises may, and often do, purchase and sell goods and services in competition with United States firms on a noncommercial basis which burdens and re-

stricts United States commerce and injures United States workers and communities:

- (4) foreign countries increasingly exercise their authority, power, and influence in order to consummate sales or purchases by such state enterprises, often through in-ducements and disincentives that are uniquely within the power of foreign countries
- (5) it is contrary to existing United States trade agreements for state enterprises to compete in international trade on a noncommercial basis, but the Executive Branch has not taken action to eliminate the harmful effects of mercantilist trading, and the provisions of these agreements have not been implemented in United States law;

(6) to the extent such state enterprises sell goods and services on a noncommercial basis, the United States is denied trade benefits, and the willingness of nations to abide by the rules of the international trading system is greatly diminished; and

(7) enterprises of major foreign countries that have not signed trade agreements with the United States and that employ mercantilist trading have become, or are about to become, major competitors with United States firms.

SEC 3 PURPOSE

The purpose of this Act is to-

(1) implement international trade agreements controlling harmful mercantilist trading activities:

(2) prevent the establishment of burdens or restrictions upon the international trade of the United States by reason of mercantilist trading activities conducted by state trading enterprises;

(3) authorize trade negotiations to improve international trade agreements relat-

ing to mercantilist trading; and

(4) improve remedies available under the laws of the United States for injury to United States persons resulting from mercantilist trading activities conducted by state trading enterprises.

SEC. 4. DEFINITIONS

For purposes of this Act-

(1) The term "state trading enterprise" means-

(A) any agency, instrumentality, or administrative unit of a foreign country which-

- (i) purchases goods or services in international trade for any purpose other than the use of such goods or services by such instrumentality, agency, instrumentality, administrative unit, or foreign country, or (ii) sells goods or services in international
- trade, or

(B) any business firm-

(i) which is substantially owned or controlled by a foreign country or any agency, instrumentality, or administrative unit of a foreign country,

(ii) which is granted (formally or informally) any special or exclusive privilege by such foreign country, agency, instrumentality, or administrative unit, and

(iii) which-

- (I) purchases goods or services in international trade for any purpose other than the use of such goods or services by such foreign country, agency, instrumentality, or administrative unit, or
- (II) sells goods or services in international trade.
- (2) The term "Commission" means the United States International Trade Commission
- (3) The term "entered" means entered, or withdrawn from warehouse, for consump-tion in the customs territory of the United States.

(4) The term "customs territory of the United States" has the meaning given to such term by headnote 2 of the General Headnotes and Rules of Interpretation of the Tariff Schedules of the United States.

(5) Any foreign instrumentality and any territory or possession of a foreign country that is administered separately for customs purposes shall be treated as a separate foreign country.

SEC. 5. MERCANTILIST PRACTICES AFFECTING FOR-EIGN TRADE.

Section 301(e)(4) of the Trade Act of 1974 (19 U.S.C. 2411(e)(4)) is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) CERTAIN ACTIONS INCLUDED .- Acts, policies, and practices that are unjustifiable include, but are not limited to, any act, policy, or practice described in subparagraph (A)

(i) which denies-

"(I) national or most-favored-nation treat-

"(II) the right of establishment of intellectual property rights, or

"(III) protection of intellectual property rights.

'(ii) which requires a state trading enterprise (within the meaning of section 4 of the Anti-Mercantilism Trade Act of 1986) to-

"(I) compete in international trade with United States firms, or

"(II) make purchases or sales in international trade.

on any basis that is not dependent on commercial considerations (including price, availability, marketability, and quality. transportation).

"(iii) through which a foreign country exercises its authority, influence, or power for the purpose of assisting a state trading enterprise in-

"(I) competing in international trade with

United States firms, or

'(II) making purchases or sales in international trade.

on any basis that is not dependent on commercial considerations (including price, quantity. availability, marketability, and transportation), or

'(iv) which fails to afford United States firms adequate opportunity, in accordance with customary business practice, to compete for participation in purchases from, or sales to, state trading enterprises.

"(C) COMMERCIAL CONSIDERATIONS.-The determination of whether purchases and sales have been based on commercial considerations shall be made on the basis of

'(i) similar arm's-length commercial purchases and sales, or

"(ii) if evidence of arm's-length commercial purchases and sales is insufficient, the constructed value of the merchandise purchased and sold, determined in accordance with section 773(e) of the Tariff Act of 1930.

SEC. 6. MERCANTILIST PRACTICES INVOLVING IM-PORTS.

(a) Initiation of Investigation.

(1) A petition requesting the Commission to take action under this section may be filed with the Commission by any person.

(2) Any petition filed under paragraph (1) shall allege that-

(A) sales by a state trading enterprise are conducted on any basis that is not dependent on commercial considerations (including price, quality, availability, marketability, and transportation),

(B) a foreign country has exercised its authority, influence, or power for the purpose of promoting or consummating such sales, and

(C) the effect or tendency of such sales is

 (i) substantially injure an industry in the United States which is being operated efficiently and economically,

(ii) prevent the establishment in the United States of an industry which could be efficiently and economically operated in the United States, or

(iii) restrain or monopolize trade and commerce in the United States.

(3)(A) By no later than the date that is 25 days after the date on which the petition is filed under paragraph (1), the Commission

days after the date on which the petition is filed under paragraph (1), the Commission shall determine whether the petition alleges all the elements necessary for relief under this section.

(B) If the determination of the Commission under subparagraph (A) is affirmative—

(i) the Commission shall initiate an investigation for the purpose of making a determination under subsection (b), and

(ii) the Commission shall publish in the Federal Register notice of the initiation of such investigation.

(4)(A) Upon request of the President, the United States Trade Representative, or upon its own initiative, the Commission shall initiate an investigation for the purpose of making a determination under subsection (b).

(B) The Commission shall publish in the Federal Register notice of any investigation initiated under this paragraph and of the allegations described in paragraph (2) that are the subject of such investigation.

(b) DETERMINATIONS BY THE COMMISSION.—
(1) By no later than the date that is 1 year after the date on which an investigation is initiated under subsection (a), the Commissionian than the commission of the commi

sion shall determine-

(A) whether the sales alleged in the petition or in the notice published under subsection (a)(4)(B) have been conducted by a state trading enterprise on a basis that is not dependent on commercial considerations (including price, quality, availability, marketability, and transportation),

(B) if the determination made under subparagraph (A) is affirmative, whether the foreign country identified in the petition or in such notice has exercised its authority, influence, or power for the purpose of promoting or consummating such sales, and

(C) if the determinations made under subparagraphs (A) and (B) are both affirmative, whether the effect or tendency of such sales is to—

 (i) substantially injure an industry in the United States which is being operated efficiently and economically,

(ii) prevent the establishment in the United States of an industry which could be efficiently and economically operated in the United States, or

(iii) restrain or monopolize trade and commerce in the United States.

(2) The determination under paragraph (1)(A) of whether sales have been based on commercial considerations shall be made on the basis of—

(A) similar arm's-length commercial sales, or

(B) if evidence of arm's-length commercial sales is insufficient, the constructed value of the merchandise sold, determined in accordance with section 773(e) of the Tariff Act of 1930.

(3) The determinations made under paragraph (1) shall be made on the record after notice and opportunity for a hearing in con-

formity with the provisions of subchapter II of chapter 5 of title 5, United States Code.

(4) The Commission shall publish in the Federal Register any determinations made under paragraph (1).

(c) RELIEF.-

(1) If all of the determinations made under subsection (b)(1) with respect to an investigation are affirmative, the Commission shall—

(A) identify and determine the quantity of each article produced or manufactured by the state trading enterprise involved in such determinations that would be imported into the United States if the sales which are the subject of such affirmative determinations were conducted on the basis of commercial considerations, and

(B) issue an order which directs the Secretary of the Treasury to limit the quantity of each article identified under subparagraph (A) that may be entered to the quantity determined under subparagraph (A).

(2)(A) In lieu of issuing an order under paragraph (1)(B), the Commission may issue an order directing the state trading enterprise involved in the affirmative determinations made under subsection (b)(1) to cease and desist from conducting sales on bases that are not dependent on commercial considerations.

(B) The Commission may modify or revoke any order issued under subparagraph (A) at any time and, upon such revocation, issue the order authorized under paragraph (1)(B)

(C) Any person who violates an order issued by the Commission under subparagraph (A) after the order has become final shall forfeit and pay to the United States a civil penalty for each day on which such person is in violation of the order. Such penalty shall accrue to the United States and may be recovered for the United States in a civil action brought by the Commission in the Federal District Court for the District of Columbia or for the district in which the violation occurs. In such actions, the United States district courts may issue mandatory injunctions incorporating the relief sought by the Commission as they deem appropriate in the enforcement of such final orders of the Commission.

(3) The Commission shall not be required to include in any order issued under paragraph (1)(B) any limitation on the quantity of an article that may be entered if the Commission determines that imposition of such limitation would have a substantial adverse effect on the public health or safety of people in the United States.

(4)(Å) If the Commission issues an order under this subsection, the Commission shall submit to the President—

(i) a copy of such order, and

(ii) a report on the determinations made by the Commission under this subsection and subsection (b) in connection with such

(B) The Commission shall transmit to the Secretary of the Treasury any order described in paragraph (1)(B) that is issued by the Commission under this subsection.

(C) The Commission shall publish in the Federal Register notice of any order issued under this subsection.

(5) The Commission may modify any order issued under paragraph (1)(B) in order to take into account changes in the rate of exchange for foreign currency that occur after the date such order is issued by the Commission.

(d) PERIOD IN WHICH RELIEF IS IN EFFECT.—

(1) Except as otherwise provided in this subsection, any order issued under subsection (c) shall become final and shall take effect on the earlier of—

(A) the date on which the President submits to the Commission and the Secretary of the Treasury, and publishes in the Federal Register, notice that the President approves such order, or

(B) the date that is 60 days after the date on which such order is submitted to the President under subsection (c)(4)(A).

(2) No order issued by the Commission under subsection (c) shall take effect if the President submits to the Commission and the Secretary of the Treasury, and publishes in the Federal Register, before the close of the 60-day period beginning on the day on which such order is submitted to the President under subsection (c)(4)(A), notice that the President, for policy reasons, disapproves of such order.

(3)(A) Any order issued under subsection (c)(1)(B) which takes effect shall remain in effect until the Commission determines that the state trading enterprise with respect to which such order was issued has ceased to conduct sales on any basis that is not dependent on commercial considerations.

(B) The Commission shall submit to the Secretary of the Treasury, and publish in the Federal Register, any determination made under subparagraph (A).

(e) JUDICIAL REVIEW .-

(1) Any person adversely affected by a determination of the Commission made under subsection (b) or (c)(1)(A) may appeal such determination, within 60 days after the date on which such determination is made, to the United States Court of Appeals for the Federal Circuit for review in accordance with chapter 7 of title 5, United States Code. Such court may vacate any order issued by the Commission under subsection (c).

(2) Notwithstanding paragraph (1), Commission determinations made under subsection (c)(3) shall be reviewable in accordance with section 706 of title 5, United States

Code.

(f) AUCTIONED QUOTAS.-

(1) Notwithstanding any other provision of law, the Secretary of the Treasury shall issue and use import licenses in administering any limitation imposed by any order issued under subsection (c) on the quantity of any article that may be entered.

(2) All import licenses that the Secretary of the Treasury is required to issue under paragraph (1) shall be auctioned by the Secretary of the Treasury to the highest bidder at a public auction held no earlier than 15 days after the date on which notice of such auction is published in the Federal Register.

SEC. 7. AGREEMENTS TO ELIMINATE HARM CAUSED BY STATE TRADING ENTERPRISES.

(a) FUTURE AGREEMENTS.—Subsection (b) of section 102 of the Trade Act of 1974 (19 U.S.C. 2112(b)) is amended by adding at the end thereof the following new paragraph:

"(5)(A) Before entering into the negotiation of an agreement with a foreign country or instrumentality under paragraph (1), the President shall determine—

"(i) whether state trading enterprises account for a significant share of—

"(I) the exports of such foreign country or instrumentality, or

"(II) the goods of such foreign country or instrumentality that are subject to competition from goods imported into such foreign country or instrumentality, and

"(ii) whether such state trading enterprises—

"(I) unduly burden and restrict, or adversely affect, the foreign trade of the United States or the United States economy, or

"(II) are likely to result in such a burden,

restriction, or effect.

"(B) If both of the determinations made under clauses (i) and (ii) of subparagraph (A) with respect to a foreign country or instrumentality are affirmative, the President may enter into an agreement with such foreign country or instrumentality under paragraph (1) only if such agreement provides that the state trading enterprises of such foreign country or instrumentality-

"(i) will make

"(I) purchases which are not for the use of such foreign country or instrumentality,

"(II) sales in international trade,

in accordance with commercial considerations (including price, quality, availability, marketability, and transportation), and

"(ii) will afford United States business firms adequate opportunity, in accordance with customary practice, to compete for participation in such purchases or sales.

"(C) The President shall publish in the Federal Register each determination made

under subparagraph (A).

"(D) For purposes of this paragraph, the term 'state trading enterprise' has the meaning given to such term by section 4 of the Anti-Mercantile Trade Act of 1986."

(b) EXTENSION OF EXISTING MULTILATERAL TRADE AGREEMENTS TO OTHER FOREIGN COUN-

TRIES

- (1) Before any foreign country accedes, after the date of enactment of this Act, to any multinational trade agreement to which the United States is a party, the President shall determine-
- (A) whether state trading enterprises account for a significant share of-
- (i) the exports of such foreign country, or (ii) the goods of such foreign country that are subject to competition from goods imported into such foreign country, and

(B) whether such state trading enterprises

(i) unduly burden and restrict, or adversely affect, the foreign trade of the United States or the United States economy, or

(ii) are likely to result in such a burden,

restriction, or effect.

(2) If both of the determinations made under subparagraphs (A) and (B) of paragraph (1) with respect to a foreign country are affirmative

(A) the President shall reserve the right of the United States to withhold extension, between the United States and such foreign country, of any multilateral trade agreement to which such foreign country accedes after the date of enactment of this Act, and

(B) such trade agreement shall not apply between the United States and such foreign

country until-

(i) such foreign country enters into an agreement with the United States providing that the state trading enterprises of such

foreign country

(I) will make purchases which are not for the use of such foreign country, and make sales in international trade, in accordance with commercial considerations (including price, quality, availability, marketability, and transportation), and

(II) will afford United States business firms adequate opportunity, in accordance with customary practice, to compete for participation in such purchases or sales, or

(ii) a bill submitted under paragraph (3) which approves of the extension of such agreement between the United States and such foreign country is enacted into law

(3)(A) The President may submit to the Congress any draft of a bill which approves of the extension of any multilateral trade agreement between the United States and a foreign country

(B) Any draft of a bill described in sub-paragraph (A) that is submitted by the

President to the Congress shall-

(i) be introduced by the majority leader of each House of the Congress (by request) on the first day on which such House is in session after the date such draft is submitted to the Congress, and

(ii) shall be treated as an implementing bill for purposes of subsections (d), (e), (f), and (g) of section 151 of the Trade Act of

(4) The President shall publish in the Federal Register each determination made under paragraph (1).

SECTION-BY-SECTION DESCRIPTION OF THE ANTI-MERCANTILISM ACT

July 21, 1986

Mer-can-til-ism * * * an economic system
* * * intended primarily to unify and increase the power and especially the monetary wealth of a nation by a strict governmental regulation of the entire national economy usually through policies designed to secure an accumulation of bullion, a favorable balance of trade, the development of agriculture and manufacturers, and the establishment of foreign trading monopolies.-Webster' Third New International Dictionary.

Section 1 of the bill establishes the title of "The Anti-Mercantilism Act of the bill.

1986."

Section 2. contains findings that mercantilism is contrary to U.S. trade agreements, hurts American workers and firms, is not controlled by Executive action or current statutes, and is growing in all countries, from industrialized capitalist countries to developing non-Communist countries

Section 3 sets out the purpose of the bill, which is mainly, to implement Article XVII of the General Agreement on Tariffs and Trade (the GATT), which requires national enterprises (known as "state trading" enterprises) to make purchases or sales in international trade "in accordance with commercial considerations." The purposes also include improved remedies for injury caused to U.S. trade by the activities of state trading enterprises that do not follow this rule.

Section 4 defines a national (state trading) enterprise. The definition includes both agencies of foreign governments that engage in trade (except those that buy for government use) and companies owned or controlled by governments. The definition tracks the definition of "state trading" in the GATT

Section 5 enlarges on an existing U.S. trade remedy, to include relief from injury to American firms caused by mercantilism, i.e., national (or state) trading that does not meet the GATT "commercial consider-ations" test.

Specifically, this section provides that the President can use section 301 of the Trade Act of 1974 to retaliate against mercantilism. Section 301 now authorizes the President to retaliate against foreign trade practices that burden or restrict American commerce through barriers to U.S. exports or competition in third markets that is unreasonable or unjustifiable, which includes practices in violation of the GATT, such as mercantilism. Therefore, this section makes current U.S. law explicit on the point. (There has never been a "mercantilism" investigation under section 301, even though the practice is widespread.)

Section 6 provides relief to efficiently and economically operated domestic industries that are injured by mercantilism in imports. The action requires the U.S. International Trade Commission (ITC) to establish quotas on mercantilist imports equal to what imports would have been if the GATT rule had been followed, or to order the GATT-inconsistent practice to cease and desist (with a civil penalty for actions inconsistent with such orders) when the ITC has found substantial injury to an efficiently and economically operated domestic industry. Under the bill, no such ITC order could be issued if it would have a substantial adverse affect on public health or safety in the United States; the order could be modified by the ITC at any time; and the President could veto such an order, rendering it null and void, within 60 days after the order

Section 7 authorizes negotiation of agreements to eliminate mercantilism. It first authorizes the President to require other countries to meet the GATT standards for fair national enterprise (or "state") trading in cases where he finds that such trading unduly burdens or restricts U.S. commerce or adversely affects the U.S. economy. This provision is intended to modify whatever authority for a "new round" of multilateral trade negotiations is eventually enacted. This section also requires that if countries that employ national enterprises want to accede to U.S. trade agreements, such as the GATT, then they should either agree to meet the GATT standards on "state trading" or the United States should refuse to apply the GATT to them. As an alternative, the President can get Congress to approve these countries' entry into the GATT on another basis proposed by the President.

 Mr. DANFORTH. I am pleased to join Senator Bentsen and my other colleagues in cosponsoring the Anti-Mercantile Trade Act of 1986.

The involvement of Governmentowned or controlled enterprises in foreign commerce is inconsistent with a free and open international trading system. The General Agreement on Tariffs and Trade [GATT] envisions an open system of exchange between private parties on commercial terms. The benefits of world trade can easily be lost where the State takes a direct role in arranging the terms, volume, and conditions of international ex-

State trading may involve a variety of disruptive practices, such as barter and countertrade, exclusive dealing arrangements, or the use of special political concessions to obtain sales. A prominent example of the problem are the special benefits that France, West Germany, and Britain are providing to Airbus, their aircraft manufacturing consortium. In addition to providing generous manufacturing subsidies, the participating governments are actively promoting Airbus sales through a wide range of state inducements-landing rights, below-market financing, im-proved cultural and political ties, and in the case of prospective Australian purchasers, French concessions to open their market to Australian sheep.

Although our objective should be to get governments out of the business of trade altogether, that objective is not realistic in the short term. As the Airbus example demonstrates, state trading has become a fact of life in and nonmarket economies alike. What we can do, however, is insist upon the full measure of our rights under the GATT. Article XVII of the GATT explicitly requires that "state trading enterprises" operate in accordance with commercial considerations. The bill we are introducing today provides a means for implementing this requirement under U.S. law. It would amend section 301 to permit retaliation against noncommercial state trading, create a new right of action permitting an industry to seek relief against imports sold by a state trading enterprise on noncommercial terms, and require the President to negotiate new international disciplines over the activities of state trading enterprises.

The variety and complexity of state trading practices make the job of drafting a legislative response a difficult undertaking. Nevertheless, state trading is an issue that must be addressed, and this legislation represents an important beginning.

By Mr. GRASSLEY:

S. 2661. A bill to improve the quality of teaching in American secondary schools and enhance the competence of American secondary students and thereby strengthen the economic competitiveness of the United States, and for other purposes; to the Committee on Labor and Human Resources.

TEACHER TRAINING AND IMPROVEMENT ACT

Mr. GRASSLEY. Mr. President, today I rise to introduce a bill to support the improvement of teaching and administration in our elementary and secondary schools.

In the many school reform reports that have received such wide public attention in recent years, problems with the quality and adequacy of our teaching force have been repeatedly emphasized. There are a number of reasons

for this concern. Many of our current teachers will retire in the coming decade, and there is a smaller number of teacher college graduates that are emerging to replace them. Of the Nation's over 2 million elementary and secondary teachers, the National Education Association has indicated that one-half will have to be replaced within the next decade because of retirement and attrition. Based on the projected number of graduates in teacher education programs, we can anticipate an annual shortage of 40,000 teachers.

Additionally, the education field has not been able to provide the rewards and recognition to encourage teachers

and administrators to remain in education. Nor has the education profession been able to attract talented potential teachers from other fields. Various studies have reported that the best and the brightest college students are not entering teaching, but rather our teachers are emerging from bottom quarter of their college classes. Individuals that once made up the ranks of our teachers now have alternative opportunities, as they have gained access to jobs that are more prestigious and financially rewarding.

Finally, teachers seldom have the opportunity to receive quality in-service education to stay current in their

subject matter areas.

Yet the Congress has not been totally insensitive to teacher quality and shortage problems. In the 98th Congress, the Education for Economic Security Act was passed to improve instruction in science and mathematics. The Carl Perkins scholarships for college students preparing to be teachers were created, and leadership in educational administration development [LEAD] grants were enacted to improve the skills of practicing school administrators.

These categorical programs, however, are too narrow in focus. My proposal provides for a more general single program that would allow additional funding and increase flexibility for program choices for State and local school officials. The bill is a major improvement over the existing math and science program because it would broaden the authority to serve teachers in all academic disciplines and would not carry over the burdensome requirements and funding set-asides that hamper current program oper-

This bill, the Teacher Training and Improvement Act, would authorize \$75 million for fiscal year 1987 and such sums as are necessary for succeeding fiscal years through 1991. Up to 20 percent of the amount would be available for national research and training projects at the discretion of the Secretary of Education. The remaining funds would provide support for activities to: First, provide inservice training for teachers and administrators to improve their subject matter competence; second, provide recognition for excellent performance by teachers and administrators; third, provide training for teachers to maintain orderly classrooms conducive to learning; fourth, attract qualified persons from other professions into teaching; fifth, encourage outstanding teachers to remain in the profession and sixth, improve preservice education of teachers and administrators.

The Teacher Training and Improvement Act is superior to current Federal efforts to meet the challenges of teacher quality and supply in our schools. This legislative proposal was

developed by the administration and has the full support of the Secretary Education. The administration's budget for fiscal year 1987 recommended funding for this teacher training initiative which indicates its strong support for increased Federal efforts in this area of education reform. It is my hope that my colleagues will join me in cosponsoring this important legislation and that we will see positive action on this bill.

Mr. President, I ask unanimous consent that a summary of this bill, the text of the legislation, and a sectionby-section analysis of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2661

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Education for Economic Security Amendments of 1986"

SEC. 2. Title II of the Education for Economic Security Act (20 U.S.C. 3901 et seq.) is amended to read as follows:

"TITLE II—TEACHER TRAINING AND IMPROVEMENT PROGRAM

"SHORT TITLE

"SEC. 201. This title may be cited as the 'Teacher Training and Improvement Act'.

"STATEMENT OF PURPOSE

"SEC. 202. The purposes of this title are to improve the effectiveness of public and private nonprofit elementary and secondary education in the United States and thereby strengthen our economic security by

(1) providing opportunities for inservice education of teachers in order to enhance their mastery of the subjects they teach as well as their teaching skills, including those skills to maintain an orderly classroom environment conducive to learning,

'(2) providing opportunities for inservice education of school administrators in order to enhance their capacity for leadership, including those skills needed to maintain an orderly school environment conducive to learning.

"(3) recognizing teachers and school administrators for their excellent perform-

"(4) encouraging outstanding teachers and school administrators to remain in their profession. (5) attracting qualified persons in other

professions to careers as teachers or school administrators, and

"(6) improving the preservice education of teachers and school administrators.

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 203. For the purpose of carrying out this title, there are authorized to be appropriated \$75 million for fiscal year 1987 and such sums as may be necessary for each of the four succeeding fiscal years.

"DEFINITIONS

SEC. 204. For the purpose of this title-"(1) The term 'eligible recipient' means a local educational agency, institution of higher education, cultural institution, professional association, or other public or private agency, organization, or institution capable of carrying out a local project under this title.

"(2) The term 'nonprofit' has the same meaning given that term under section 1201(c) of the Higher Education Act of 1965

"(3) The term 'preservice education' means the education or preparation of a person who has not received a bachelor's degree to become a teacher or school administrator.

"(4) The term 'secondary school' means a school which provides secondary education as determined under State law.

"RESERVATION AND ALLOTMENT OF FUNDS

"SEC. 205. (a) From the funds appropriated under section 203 for any fiscal year, the Secretary may reserve up to 20 per centum for national programs under section 210.

"(b)(1) From the remainder of the amount appropriated to carry out this title for each fiscal year after the application of subsection (a), the Secretary shall reserve-

"(A) one-half of one per centum for projects and activities authorized by this title in Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands and the Trust Territory of the Pacific Islands; and

"(B) one-half of one per centum for projects and activities authorized by section 206 to benefit children in elementary and secondary schools serving Indian children which are supported by the Department of the Interior.

"(2) The Secretary shall allot the funds reserved under subsection (b)(1)(A) among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands according to their respective need for assistance under this title as determined by the Secretary.

"(c)(1) From the remainder of the amount appropriated to carry out this title for each fiscal year after the application of subsections (a) and (b), the Secretary shall allot to each State an amount which bears the same ratio to that remaining amount as the number of children aged five to seventeen. inclusive, in the State bears to the number of such children in all the States. The number of children aged five to seventeen, inclusive, in a State and in all the States shall be determined by the Secretary on the basis of the most recent available data satisfactory to the Secretary.

"(2)(A) The Secretary may reallot all or a portion of a State's allotment for any fiscal year if the State does not submit a State application under Section 207, or otherwise indicates to the Secretary that it does not need or cannot use the full amount of its allotment for that fiscal year. The Secretary may fix one or more dates during a fiscal year upon which to make reallotments.

(B) The Secretary may reallot funds on a competitive basis to one or more States that demonstrate a current need for additional funds under this title. Any funds reallotted to another State shall be deemed to be part of its allotment for the fiscal year in which the funds are reallotted.

"(d) For the purpose of this section, the term 'State' does not include Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

"PROGRAMS FOR INDIAN CHILDREN

"SEC. 206. (a) The Secretary shall allot the funds reserved under section 205(b)(1)(B) to the Department of the Interior to support activities described in subsection (b) to benefit children in elementary and secondary schools serving Indian children which are supported by the Department of the Interi-

"(b) Funds allotted under paragraph (a) shall be used to-

"(1) support inservice education for teachers and administrators in such schools, including participation in inservice training programs supported under section 208;

"(2) provide scholarships for teachers and administrators in such schools for additional training in their respective fields:

(3) establish cooperative exchange programs between such schools and public and private employers which are designed to enhance the effectiveness of teachers and administrators in those schools; or

"(4) other activities that are consistent

with the purposes of this title.

"(c) The Secretary of the Interior shall consult with the Secretary regarding the administration of activities under this section and shall provide whatever information is reasonably required to carry out the Secretary's responsibilities under this title.

"STATE APPLICATION

"Sec. 207. (a)(1) Any State desiring to receive a grant from funds allotted under section 205(c) for any fiscal year shall submit to the Secretary a State application which meets the requirements of this section.

"(b) Each State application shall-

"(1) cover a period of three fiscal years; "(2) be submitted at the time and in the manner specified by the Secretary; and

"(3) contain whatever information the Secretary may reasonably require including-

"(A) assurance that-

"(i) the State educational agency will be responsible for the administration, including supervision, of all State and local projects supported by the State's grant and shall maintain whatever fiscal control and fund accounting procedures are necessary to ensure the proper disbursement of, and accounting for, Federal funds paid to the State under this title;

"(ii) the State education agency will provide for continuing administrative direction and control by a public agency over funds under this title used to benefit teachers or school administrators in private nonprofit elementary and secondary schools;

(iii) the State educational agency will distribute at least 90 per centum of its allotment to eligible recipients to carry out local projects under section 208(a);

"(iv) no more than 5 per centum of the State's allotment will be used for State administration; and

"(v) no portion of the funds under this title will be used to improve the preservice education of teachers or school administrators unless the State, with less than its full allotment, has met its needs for-

"(I) inservice education for teachers and school administrators to enhance their mastery of the subjects they teach, their teaching skills, and their administrative skills;

'(II) retraining teachers who wish to

teach different subjects; and

"(III) programs to attract persons in other professions to become teachers or school administrators; and

"(B) descriptions of-

"(i) the priorities and goals the State has selected for the use of funds under this title during the period of the State application and the relationship of those priorities and goals to the State's needs for improved education of teachers and school administrators in public and private nonprofit elementary and secondary schools in the State;

"(ii) how, in establishing its priorities and goals under the State plan, the State has taken into account the needs of those public and private nonprofit elementary and secondary schools which desire to have their teachers and school administrators participate in projects under this title;

"(iii) the procedures the State will use to ensure the participation of a variety of eligible recipients under this title, including procedures to ensure that eligible recipients are informed of the availability of funds under

(iv) the procedures and criteria the State will use to select local projects to be supported under this title from among the applications received;

this title:

"(v) how local educational agencies, private schools, institutions of higher education, the State agency for higher education, cultural institutions, professional associations, private industry, and other interested public and private agencies, organizations, or institutions have been involved in the development of the State's priorities and goals under the State application:

(vi) any projects the State will carry out with the portion of its allotment not distrib-

uted to eliglible recipients; and

"(vii) the procedures the State will adopt to ensure compliance with section 209.

"(c) Each State application after the first must contain information on the State and local projects carried out under the preceding State application, including data on the number and characteristics of persons who participated, and an assessment of the degree to which those projects accomplished the goals described in that State application.

"STATE AND LOCAL PROJECTS

"Sec. 208. (a) An eligible recipient shall submit an application to the State educational agency to carry out a local project under this section.

'(b) The State educational agency shall use that portion of its allotment that is not distributed to eligible recipients or used for administration for State projects under this section.

"(c) Funds under this section shall be used

"(1) support inservice education for teachers in order to enhance their mastery of the subjects they teach as well as their teaching skills, including those skills needed to maintain an orderly classroom environment conducive to learning;

"(2) support inservice education for school administrators in order to enhance their capacity for leadership, including those skills needed to maintain an orderly school environment conducive to learning:

"(3) retrain teachers who wish to teach different subjects;

"(4) support programs, including scholarships and internships, for qualified persons in other professions who wish to become teachers or school administrators but lack coursework in education;

"(5) improve the preservice education of teachers and school administrators, particularly by assisting prospective teachers to master the subjects they will teach;

"(6) improve teacher education programs in order to attract the most academically capable secondary and postsecondary students to careers as teachers or school administrators:

"(7) recognize practicing teachers and school administrators for their excellent performance by awarding fellowships for further study or supporting opportunities

for such persons to write or conduct research in their respective fields;

"(8) develop programs for the exchange of professional personnel between education and other fields; or

"(9) support other activities that are consistent with the purposes of this title.

'(d)(1) A State or eligible recipient may not use funds under this section to support activities under subsection (b)(5) or (b)(6) unless the State educational agency determines that the State's need for activities under subsections (b)(1) through (b)(4) has been met with less than the State's full allotment.

"(2) In making awards to eligible recipients, the State educational agency shall give priority to improving teaching in English. mathematics, the natural and physical sciences, the social sciences, the humanities (including foreign languages), and other

academic subjects.

"(3) Local projects under this section shall, to the extent feasible, be developed cooperatively with, and involve the combined efforts of, local educational agencies, private schools, institutions of higher education, cultural institutions, professional associations, private industry, and other interested public and private agencies, organizations, or institutions.

"PARTICIPATION OF PRIVATE SCHOOL TEACHERS AND ADMINISTRATORS

"SEC. 209. (a) To the extent consistent with the number of children who are enrolled in participating private nonprofit elementary and secondary schools in the area to be served by a local project, an eligible recipient shall ensure equitable participation in the purposes and benefits of local projects under this title for teachers and school administrators in such schools.

"(b) To the extent consistent with the number of children who are enrolled in participating private nonprofit elementary and secondary schools in the State, the State educational agency shall ensure equitable participation in the purposes and benefits of State projects under this title for teachers and school administrators in such schools.

(c) To satisfy the requirements of subsection (a) or subsection (b), an eligible recipient or a State educational agency shall-

"(1) consult with appropriate private nonprofit school representatives during the design and development of the project to determine which schools desire to participate in the project and what the needs of the teachers and school administrators in those participating schools are, and

"(2) then provide, as appropriate, benefits authorized by this title for teachers and school administrators in such schools.

"(d) No funds under this title may be

"(1) for any religious worship, proselytization, or activity of a school or department of divinity.

(2) to provide or improve any program of

religious instruction, or

'(3) to provide benefits to teachers or school administrators in a private school which is denied a tax-exempt status under section 501(c)(3) of the Internal Revenue Code of 1954.

"NATIONAL PROGRAMS

"SEC. 210. (a) From the amount reserved under section 205(a), the Secretary may carry out research, development, evaluation, demonstration dissemination and data collection activities which are of national significance and are consistent with the purposes of this title. The Secretary may carry

out such activities directly or through grants, cooperative agreements, or con-

"(b) Activities which the Secretary may carry out under this section include-

"(1) developing centers and summer institutes for teachers and school administrators to enhance their knowledge and skills:

"(2) awarding scholarships or fellowships to pay the expenses of teachers and school administrators attending an institution of higher education for additional education in their instructional area or related fields;

'(3) developing exchange programs in which outstanding teachers or school ad-ministrators from one school district or State are temporarily assigned to another school district or State to act as consultants or mentors:

'(4) developing model programs for the exchange of personnel between education and private industry;

"(5) making awards to institutions of higher education, professional associations, and private industry for the development and testing of teacher education programs;

(6) recognizing practicing teachers and school administrators for their excellent performance by supporting opportunities for such persons for further study or to write or conduct research in their respective

"(7) awarding Presidential teacher internships to persons in other professions and recent college graduates with excellent academic records who wish to become teachers. but lack coursework in education;

'(8) making awards to teachers for individual research projects that would enhance their mastery of the subjects they teach;

'(9) collecting and disseminating information about exemplary inservice teacher education programs, teacher shortages and surpluses, and the qualifications of teachers in elementary and secondary education;

"(10) supporting research on teaching and on improving preservice and inservice education for teachers and school administrators;

(11) developing model programs for preservice and inservice training designed to provide teachers with the skills needed to maintain an orderly classroom environment conducive to learning; and

"(12) supporting other activities that are consistent with the purposes of this Act.

"USE OF FUNDS

'SEC. 211. (a) Federal funds made available to a State or local educational agency under this title shall be used to supplement and, to the extent practicable, increase the amount of non-Federal funds that would, in the absence of such Federal funds, be made available for the purposes of this title, and in no case to supplant such non-Federal funds

"(b) No Federal funds under this title may be used to benefit teachers or school administrators in private, for-profit schools."

REPEALS

SEC. 3. The following are repealed-(1) section 1525 of the Education Amendments of 1978, and

(2) title IX of the Human Services Reauthorization Act.

EFFECTIVE DATE

SEC. 4. The provisions of this Act shall take effect October 1, 1986.

SUMMARY-TEACHER TRAINING AND IMPROVEMENT ACT PROGRAM PURPOSE

To provide opportunities for inservice education of teachers and administrators in order to improve their subject matter competence and professional skills.

To provide recognition for outstanding teachers and administrators, to give them opportunities for further education, and to encourage them to stay in the profession.

To attract qualified persons for other

fields into teaching.

To provide opportunities for training of teachers in the skills needed to maintain an orderly classroom environment conducive to learning.

To improve the preservice education of teachers and school administrators.

ALLOCATION OF FUNDS

Up to 20 percent could be retained for the Secretary's Discretionary Fund.

Of the remainder, one-half percent would go to the BIA Indian schools, one-half percent to the Territories, and 99 percent to the States, D.C., and Puerto Rico on the basis of population aged 5-17.

States would be required to pass through at least 90 percent of their funds to eligible recipients (local educational agencies, colleges and universities, etc.). Up to 5 percent could be used for State administration. Any remaining funds retained at the State level would be used for State-initiated projects.

ELIGIBLE ACTIVITIES

At the State and local levels, funds would be used for:

Inservice education for teachers and administrators.

Retraining of teachers who wish to move into new subject areas.

Programs to bring qualified persons from other professions into teaching or school administration.

If State needs in these areas have been met, funds could then be used to improve preservice teacher education programs so as to improve the subject matter competence prospective teachers and to attract the most academically capable high school and college students into careers as teachers or school administrators.

Other authorized activities would include: Recognition of outstanding teachers and administrators through the award of fellowships for further study, research, and writ-

Programs for exchange of personnel between education and private industry.

Priority would be given to projects to improve teaching in academic subjects. Projects that utilize the combined efforts of more than one educational or nonprofit institution would also be encouraged.

PARTICIPATION OF PRIVATE SCHOOL TEACHERS

State and eligible recipients would be required to assure equitable participation of private school teachers and administrators in programs carried out under the Act.

No funds could be provided for religious worships or proselytization, to improve a program of religious instruction, or to a private school that practices racially discriminatory policies.

SECRETARY'S DISCRETIONARY FUND

At the national level, funds would be used to support nationally significant projects or research, development, demonstration, data collection, and dissemination. Such activities could include:

Centers and summer institutes for teachers and administrators to enhance their knowledge and skills.

Exchange programs in which outstanding teachers or administrators from one school district are temporarily assigned to another Collection and dissemination of information about exemplary teacher education programs, teacher shortages and surpluses, and the qualifications of teachers in elementary and secondary education.

Demonstration training programs in the skills needed to maintain an orderly classroom environment.

ANTECEDENT PROGRAMS

The Teacher Training and Improvement Act is proposed as an amendment to the existing Science and Mathematics Education program (Title II of the Education for Economic Security Act). The new Act would broaden the Science and Math authority to serve teachers in all academic disciplines and would not carry over the many administrative requirements and funding set-asides that hamper current program operations.

The bill would also repeal two other programs: Territorial Teacher Training and Leadership in Educational Administration (LEAD). Passage of the more comprehensive Teacher Training and Improvement Act would make these narrow categorical authorities redundant and unnecessary.

Funding lenels

| Teacher Training and Improvement Act (fiscal year 1987 budget pro- | |
|---|----------|
| posal): | Millions |
| State grants | \$60 |
| Secretary's Discretionary Fund | 15 |
| Total | 75 |
| Antecedent programs (fiscal year 1986 Post-sequestration level): | |
| Science and Math State grants Science and Math Discretionary | |
| Fund | 3.9 |
| Territorial Teacher Training Leadership in Educational Admin- | |
| istration (LEAD) | |
| Total | 52.2 |

Budget proposal for the Teacher Training and Improvement Act is a \$22.8 million (44 percent) increase over the funding level for the antecedent programs.

Teacher Training and Improvement Act— Section-by-Section Analysis

The bill the Education for Economic Security Amendments of 1986, would comprehensively amend the existing Title II of the Education for Economic Security Act. Public Law 98-377, recently reauthorized through fiscal year 1988 by Public Law 99-159. The basic purpose of the bill is to strengthen the economic security of the United States by improving the quality of instruction in our Nation's elementary and secondary classrooms. As amended, Title II of the Education for Economic Security Act, known as the Teacher Training and Improvement Act, would make funds available to the States to improve the effectiveness of public and private nonprofit elementary and secondary education under a broad and flexible grant, rather than through a series of narrow categorical authorities.

The Act would be a major improvement over the existing Science and Math Program, under the current Title II, because it would broaden the authority to serve teachers in all academic disciplines and would eliminate many burdensome requirements and funding set-asides that hamper current program operations. The bill, which would take effect October 1, 1986, would also repeal unneeded and duplicative program authority under section 1525 of the Education Amendments of 1978 (Territorial

Teacher Training program) and Title IX of the Human Services Reauthorization Act (Leadership in Educational Administration program).

The major provisions of the Teacher Training and Improvement Act ("Act") are explained in the following section-by-section analysis.

Section 202. Section 202 of the Act would state the purpose of the Act as strengthening the economic security of our Nation by improving the effectiveness of public and private nonprofit elementary and secondary education in the United States. To accomplish these basic purposes the Act would authorize programs of inservice education for teachers and school administrators in elementary and secondary schools, recognizing outstanding teachers and school administrators and encouraging them to remain in their profession, attracting qualified persons in other professions to careers as teachers and school administrators, as well as improving the preservice education of teachers and school administrators

Section 203. Section 203 of the Act would authorize the appropriation of \$75 million for fiscal year 1987 and such sums as may be necessary for each of the four succeeding fiscal years to carry out the Act.

Section 204. Section 204 of the Act would define a number of terms used in the Act. The term "eligible recipient" would be defined as a local educational agency, institution of higher education, cultural institution, professional association, or other public or private agency, organization, or institution capable of carrying out a local project under this title. In addition, the term "preservice education" would be defined as the education or preparation of a person who has not received a bachelor's degree to become a teacher or school administrator.

Section 205. Section 205 of the Act would prescribe how funds appropriated under the Act would be allotted. First, the Secretary would be authorized to reserve up to 20 percent of the amount appropriated for each fiscal year for national programs. From the remainder, the Secretary would be required to reserve one-half of one percent for programs in Guam, American Samoa, the Virgin Islands, the Northern Mariana Is-lands, and the Trust Territory of the Pacific Islands and a like amount for programs to benefit children in elementary and secondary schools serving Indian children which supported by the Department of the Interior. Finally, the Secretary would be required to allot to each State an amount which bears the same ratio to the remainder of the funds as the number of children aged five to seventeen, inclusive, in a State bears to the number of such children in all the States. Under certain circumstances, section 205 of the Act would also authorize the Secretary to make appropriate reallotments of funds among the States

Section 206. Section 206 of the Act would require the Secretary to allot the funds reserved under section 205 to benefit children in elementary and secondary schools serving Indian children which are supported by the Department of Interior to that Department. Activities that could be supported with such funds would include inservice education for teachers and administrators in such schools, as well as scholarships for additional training and cooperative exchange programs with public and private employers. The Secretary of Interior would be required to consult with the Secretary of Education regarding the administration of funds under sec-

tion 206 and to provide whatever information the Secretary reasonably requires.

Section 207. Section 207 of the Act describes the three-year State application a State would be required to submit to the Secretary in order to participate in this program. Among other things the State would be required to assure the Secretary that the State educational agency will be responsible for the administration of the State's program; that at least 90 percent of the State's allotment will be distributed to eligible recipients to carry out local projects, and that no more than 5 percent of its allotment will be retained for State administration, thereby leaving between 5 and 10 percent of the State's allotment available for State projects; and that no funds may be used to improve the preservice education of teachers and school administrators unless the State, with less than its full allotment, has met its needs to provide teachers and school administrators with inservice education or retraining, or to attract persons in other professions to become teachers or school administrators. The State would also be required to include in its State plan a description of its priorities and goals and how they relate to the State's needs for improved education of teachers and school administrators at the elementary and secondary level; how the State has taken into account the needs of public and private nonprofit elementary and secondary schools which desire to have their staffs participate in the program; how the State will ensure the participation of a variety of eligible recipients and the criteria the State will use to select local projects; how a broad variety of public and private educational, cultural, professional, and other interested agencies, organizations, and institutions have been involved in the development of the State's priorities and goals; and any State projects the State will carry out. Each State application after the first would contain information on the State and local projects carried out under the preceding application, including data on number and characteristics of the participants and an assessment of the extent to which those projects accomplished their goals

Section 208. Section 208 of the Act would require eligible recipients to submit an application to the State educational agency to carry out a local project. Section 208 would also authorize the State to support, at either the State or local level, activities which include the following: inservice education for teachers and school administrators; retraining teachers who wish to teach different subjects; scholarships and internships for qualified persons in other professions who wish to become teachers or school administrators but lack coursework in education; recognizing practicing teachers and school administrators for excellent performance by supporting opportunities for further study, research, and writing in their respective fields; professional exchange programs; improving preservice education of teachers and school administrators; and imteacher education programs in proving order to attract the most academically capable students to careers as teachers or school administrators. A State could not use funds under the Act to support either of the last two activities unless it determined that it had met its needs for the first three activities with less than the State's full allot-ment. In making awards for local projects the State would be required to give priority to improving teaching in English, mathematics, the natural and physical sciences,

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the social sciences, the humanities (including foreign languages), and other academic subjects. Finally, local projects would, to the extent feasible, be developed cooperatively with, and involve the combined efforts of, a wide variety of public and private educational, cultural, professional, and other interested agencies, organizations, or institutions.

institutions.

Section 209. Section 209 of the Act would require eligible recipients and State educational agencies to ensure equitable participation in the purposes and benefits of their respective projects for teachers and school

administrators in participating private nonprofit elementary and secondary schools, consistent with the enrollments in such schools. Eligible recipients and State education agencies would be required to consult with appropriate nonprofit school representatives during the design and development of projects under the Act to determine which schools desire to participate and the needs of their teachers and school administrators. Funds under the Act could not be used for religious worship, to provide or im-

prove any program of religious instruction, or to provide benefits to teachers or school administrators in a private school which is denied a tax-exempt status under section 501(c)(3) of the Internal Revenue Code.

Section 210. Section 210 of the Act would authorize the Secretary to use funds re-served under section 205 to carry out research, development, evaluation, demonstration, dissemination, and data collection activities which are of national significance and are consistent with the purposes of the Act. The Secretary would be authorized to out these activities directly, or through grants, cooperative agreements, or Among the activities that would contracts. be specifically authorized are: developing centers and summer institutes for teachers and school administrators to enhance their skills: awarding scholarships and fellowships for additional study in the recipients' respective fields; developing personnel exchange programs between school districts and between education and private industry; developing and testing teacher education programs; awarding Presidential teacher internships to persons in other professions and recent college graduates with excellent academic records who wish to become teachers; collecting and disseminating information about teacher education programs, the supply of teachers, and their qualifications; supporting research on teaching and improving preservice and inservice education for teachers and school administrators; and developing model programs designed to provide teachers with the skills needed to maintain classroom discipline.

Section 211. Section 211 of the Act would require that State and local educational agencies use funds under the Act to supplement and, to the extent practicable, increase the amount of non-Federal funds that would in the absence of Federal funds be made available for the purposes of the Act, and not to supplant such non-Federal funds. Section 211 would also clarify that no funds under the Act could be used to benefit teachers or school administrators in private, for-profit schools.

By Mr. CHAFEE (for himself, Mr. Bentsen, and Mr. Lugar):

S. 2663. A bill to authorize trade negotiations on technology transfers and the protection of intellectual property rights, and for other purposes; to the Committee on Finance.

• Mr. CHAFEE. Mr. President, today Senators Bentsen, Lugar, and I are introducing the "Technology Transfer and Intellectual Property Protection Act." This bill is designed to be a comprehensive approach to the problems of inequitable technology transfer and the lack of protection of intellectual property in foreign countries.

Market access and the deepening of the trade deficit are the dominant trade issues today, but I am convinced that technology access will be the dominant trade and competitiveness issue of tomorrow. The severity of our current trade shock should not blind us to the longer term issue of the competitiveness of U.S. industry. Basic research and technology are themselves becoming important and valuable commodities in our information-based global economy and are fundamental to our future competitiveness.

Many of our trading partners fully recognize that technology and knowledge are the keys to economic success in the future, and they are now directing more and more of their resources toward developing new processes—in computer technology, robotics, biotechnology, and other areas—as well as new products. R&D spending in these countries has risen faster than our own, and important innovations are being made first overseas. These same countries have relatively unlimited access to American origin technology.

While the United States is still preeminent in terms of intellectual innovation and technical know-how, our technological leadership is being challenged by this increasing commitment to research and development overseas. Other countries are catching up in productivity and product technology.

Foreigners have practically unlimited access to our Government-owned, Government-operated laboratories. We are the only country in the world operating this kind of open-door policy in our Government laboratories. The goal of this bill is not to change existing access to our technology, but to ensure that the United States has greater access to basic research and technology developed in other countries as well as their improvements on our original technology.

The influence of international technology flows on U.S. global competitiveness should receive greater emphasis by administration trade negotiators. Accordingly, our bill gives the U.S. Trade Representatives authority to negotiate both bilateral and multilateral agreements with countries which do not permit us access to their technology.

There are a number of reasons for this imbalance in technology flows. One reason is that much of the research done in foreign countries is carried out in Government laboratories and private companies, whose laboratories are closed to Americans. Furthermore, U.S. companies cannot participate in R&D projects involving Government funding and do not have access to Government held patents.

European countries restrict American access to their government funded laboratories. In fact, the EEC, which is starting up several new advanced technology research and development programs, has been engaged in a tremendous debate about whether or not to permit U.S. firms to take part in these programs. The present participation of one or two European subsidiaries of American companies in the EEC's ESPRIT project hardly constitutes reciprocal access.

Many newly industrialized countries have established national laboratories to perform basic research and technology. American firms have no access to these laboratories either. Yet the current level of economic development of many of these countries is due largely to American technology transferred through U.S. direct investment or joint venture arrangements. We want to encourage newly industrialized countries to perform their own basic research, come up with their own innovations, and, most importantly, to reciprocate the vast amount of technology they receive through joint ventures with American firms.

Japan is the country, of all our trading partners, which has benefited the most from United States innovation. Indeed recent studies indicate that in the past the Japanese have enjoyed a 5 to 1 advantage over the United States in electronics technology exchange and a 7 to 1 advantage in machine tools technology. In other words, the United States has transferred five times as much electronics technology and seven times as much machine tools technology to Japan as it has acquired from Japan.

This same low-cost American technology has flowed to Japan only to be returned to us in the form of lowpriced electronic and machine tool products. The Japanese use American technology and perfect our manufacturing processes in order to compete with manufactured goods in our own backyard. But the Japanese are also great innovators. Yet we do not have access to these innovations. One cannot help but conclude that technology acquisition lies at the very heart of Japan's international trade strategy.

This huge asymmetry in technology exchange is not due solely to lack of access to foreign government laboratories. The problem also stems from the transfer of privately developed technology. In order to gain access to many foreign markets, American firms

have no choice but to share their technology.

In South Korea, for example, the importation of personal computers is entirely dependent on the importer's willingness to transfer technology, produce computer parts locally, and provide the know-how for producing such items as printers, terminals, discs, and tape devices. Some 200,000 American jobs in small, innovative computer companies are put at risk by such computer trade barriers.

China's Foreign Investment Bureau has made it quite explicit that the importation of electronics and computer products must be coupled with the transfer of technology. Unless American computer vendors are prepared to enter joint ventures and transfer technology, their business will suffer, or entry to the Chinese market will be blocked.

The decision to share technology should be a private business decision, not a government requirement. U.S. exports should not be burdened in this way, especially since all too often American technology is used, our intellectual property pirated, and eventually we are eased out of the market altogether.

Time and again technology sent elsewhere has been eventually turned against us, costing us markets abroad and jobs at home. The Romanians are building computers, Mexicans are making aircraft parts, Venezuelans are producing steel, and Korea is building ships, all with United States technology in competition with United States products.

When a country imposes these requirements in order for an American product to gain access to that country's markets, the requirement will be considered an unreasonable practice, under our proposal, and therefore actionable within the meaning of section 301. Furthermore when a country requires that a firm divulge technical data about a product in order to receive marketing approval from foreign regulatory agencies, that country will likewise be subject to 301 action, if U.S. exports are burdened. Too frequently this practice is merely a way to obtain proprietary information, putting at risk the intellectual property rights of chemical, pharmaceutical, and even some high technology products.

Our bill also contains other proposals designed to further protect U.S. patents and copyrights overseas. U.S. policy to deal with intellectual property rights protection must be comprehensive. Our policy must provide for aggressive action using statutes like section 301 and the cutoff of GSP benefits as a lever when necessary. But the policy must also include positive advice to developing countries which infringe our patents, trademarks, and copyrights.

Accordingly, this bill provides for technical assistance to developing countries which have inadequate laws in this area. Assistance will help them design legal, regulatory, and enforcement systems for protection of intellectual property, and thereby create a climate more conducive to foreign investment and to the development of indigenous technology.

Mr. President, our bill concerns but one factor affecting our future competitiveness-intellectual propertybut it is a very crucial factor to which more of our attention should be focussed. Senators Bentsen, Lugar, and I studied the noteworthy recommendations of the President's Commission on Industrial Competitiveness and the U.S. Trade Representative's Private Sector Advisory Committee on Trade Negotiations in formulating this bill. The work of these groups has been outstanding. We are pleased and obliged to use their guidance in developing this aspect of U.S. trade policy.

I ask that the text of the bill, as well as a section-by-section analysis be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S 2663

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Technology Transfer and Intellectual Property Protection Act".

SEC. 2. FINDINGS.

The Congress finds that-

(1) international protection of intellectual property rights is vital to the international competitiveness of the United States and the lack of such protection and enforcement leads to trade distortions and loss of export markets:

(2) United States firms that rely on intellectual property protection are among the most advanced and competitive in the world;

(3) foreign barriers, including restrictions and conditions on investment, licensing, and various other regulatory restrictions on business operations, seriously impede the ability of United States firms that rely on intellectual property protection to operate overseas thereby harming the economic interests of the United States;

(4) improvement in intellectual property rights protection will come about through a combination of negotiation, vigorous enforcement of United States trade laws, and training of developing country officials in the enactment and enforcement of trademark, copyright, and patent laws;

(5) an overall strategy is needed to eliminate the broad variety of unfair and discriminatory trade practices now imposed on United States firms that rely on intellectual

property protection;

(6) foreign government requirements to transfer technology or divulge technical data as a condition to importation are unreasonable burdens on United States commerce, result in inequitable flows of technology, and further risk inadequate protection of intellectual property;

(7) the enormous disparity in technology flows is a major factor in the trade gap between the United States and several of its trading partners;

(8) access to basic research and technology developed in foreign countries, including government-owned or government-sponsored research, is essential to achieve reciprocity in international competition; and

(9) equitable technology exchange should be both a bilateral and multilateral negoti-

ating objective.

SEC. 3. AUTHORIZATION OF NEGOTIATIONS.

(a) In GENERAL.-

(1) The President is authorized to enter into multilateral and bilateral trade agreements with foreign countries for the purpose of achieving the objectives described in paragraph (2).

(2) The objectives of any agreement entered into under paragraph (1) shall be to obtain the elimination or reduction of foreign barriers to, and foreign government acts, policies, or practices which limit, equitable access by United States persons to foreign-developed technology, including barriers, acts, policies, or practices which have the effect of—

(A) restricting the participation of United States persons in government-supported research and development projects,

(B) denying equitable access by United States persons to government-held patents,

(C) requiring the approval or agreement of government entities, or other forms of government intervention, as a condition for the granting of licenses to Untied States persons by foreign persons (except for approval or agreement which may be necessary for national security purposes to control the export of critical military technology), and

(D) otherwise denying equitable access by United States persons to foreign-developed technology or contributing to the inequitable flow of technology between the United

States and its trading partners.

(3) In pursuing the objectives described in paragraph (2), the United States shall take into account the policies of the United States Government in licensing or otherwise making available to foreign persons technology and other information developed by United States laboratories.

(4) No agreement may be entered into under paragraph (1) which provides for any

reduction or elimination of-

(A) any duty,

(B) any limitation imposed on the quantity of any article that may be entered for consumption in the customs territory of the United States, or

(C) any other import restriction,

that is imposed under the laws of the United States on the day before the date on which such agreement is entered into by the President.

(5) For purposes of this subsection, the term "foreign country" includes foreign instrumentalities.

(b) Negotiation of Agreements Under Section 102 of the Trade Act of 1974.—Section 104A of the Trade Act of 1974 (19 U.S.C. 2114b) is amended—

(1) by redesignating subsection (d) as subsection (e), and

(2) by inserting after subsection (c) the following new subsection:

"(d) Access to High Technology.-

"(1) IN GENERAL.—Principal United States negotiating objectives for any agreement entered into under section 102(b)(1) shall be to obtain the elimination or reduction of

foreign barriers to, and foreign government acts, policies, or practices which limit, equitable access by United States persons to foreign-development technology, including barriers acts policies or practices which have the effect of-

"(A) restricting the participation United States persons in government-supported research and development projects,

"(B) denying equitable access by United States persons to government-held patents,

'(C) requiring the approval or agreement of government entities, or other forms of government intervention, as a condition for the granting of licenses to United States persons by foreign persons (except for approval or agreement which may be necessary for national security purposes to con-trol the export of critical military technology), and

(D) otherwise denying equitable access by United States persons to foreign-developed technology or contributing to the inequitable flow of technology between the United States and its trading partners.

"(2) Domestic objectives.-In pursuing the objectives described in paragraph (1), the United States shall take into account the policies of the United States Government in licensing or otherwise making available to foreign persons technology other information developed by United States laboratories.'

SEC. 4. MONITORING OF TECHNOLOGY TRANSFERS.

(a) In GENERAL.—The United States Trade Representative, in conjunction with the National Science Foundation, shall continually monitor the transfer of technology between the United States and foreign countries.

(b) REPORT.—The United States Trade Representative, in conjunction with the National Science Foundation, shall prepare an annual report on the transfer of technology between the United States and foreign countries and include such report in the report submitted to Congressional committees under section 181(b)(1) of the Trade Act of 1974 (19 U.S.C. 2241(b)(1)).

SEC. 5. RESPONSE TO UNREASONABLE FOREIGN TRADE POLICIES.

Paragraph (3) of section 301(e) of the Trade Act of 1974 (19 U.S.C. 2411(e)(3)) is amended to read as follows:

"(3) UNREASONABLE.-

"(A) In general .- An act, policy, or practice is unreasonable if such act, policy, or practice, while not necessarily in violation of, or inconsistent with, the international legal rights of the United States, is otherwise unfair and inequitable.

"(B) Inclusions.—Acts, policies, and practices which are unreasonable include, but

are not limited to-

"(i) any act, policy, or practice which denies fair and equitable—

'(I) market opportunities,

"(II) opportunities for the establishment of an enterprise, or

"(III) provision of adequate and effective protection of intellectual property rights, and

"(ii) any act, policy, or practice of a foreign government or instrumentality which, as a practical matter, constitutes a require-

"(I) intellectual property be licensed to such foreign country or instrumentality or to any firm of such foreign country or in-

strumentality, or

"(II) technical information regarding any product or service be submitted to such foreign country or instrumentality,

as a condition for the importation into such foreign country or instrumentality of any

product or service of the United States or for the marketing or sale in such foreign country or instrumentality of any product or service of the United States.

SEC. 6. MONITORING FOREIGN INTELLECTUAL PROPERTY SYSTEMS.

The Secretary of Commerce shall designate a Foreign Commercial Service Officer in a foreign country to be responsible for monitoring and reporting on the status of the intellectual property system in such country, including responsibility for-

(1) the maintenance of current files on intellectual property protection afforded on a sector-by-sector basis by such country

(2) the filing of an annual report with the Secretary of Commerce on changes to such laws in each sector; and

(3) upon request, informing potential United States exporters and foreign direct investors of protection afforded intellectual property rights in such country.

SEC. 7. FOREIGN ASSISTANCE FOR DEVELOPMENT PROGRAMS TO PROTECT INTEL-LECTUAL PROPERTY RIGHTS.

Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"Sec. 129. PROTECTION OF INTELLECTUAL PROPERTY RIGHTS.—(a) The Congress finds that the adequate protection of intellectual property rights should be an important element to the commercial, market, and economic development of developing countries encouraged by this chapter.

"(b)(1) The President is authorized to furnish assistance, after consultation with the Secretary of Commerce, on such terms and conditions as he may determine, for programs to aid less developed countries in developing and implementing adequate intellectual property laws and in developing their own indigenous technology.

(2) The Secretary of Commerce, acting through the Patent and Trademark Office the United States Copyright Office, shall identify the technical assistance needs of less developed countries under this section.

"(c) The assistance described in subsection (h) shall-

'(1) help provide less developed countries with the resources necessary for the design, development, administration, implementation, and enforcement of a system of intellectual property laws;

(2) emphasize the creation of a capability within the developing countries to engage in indigenous research and development and to generate the technologies necessary their economic and social development:

(3) help build intellectual property systems necessary for a domestic environment capable of supporting research and develop-

"(4) expand current programs to aid the development of the research and development capability itself, in exchange for adequate protection of all forms of intellectual property, for foreign as well as domestic innovators; and

"(5) coordinate bilateral scientific exchange programs with the public and private sector to help stimulate local research and development.

'(d) Notwithstanding any other provision of this chapter, funds appropriated pursuant to this chapter shall be available to carry out the provisions of this section."

SEC. 8. UNITED STATES INTELLECTUAL PROPERTY TRAINING INSTITUTE.

(a) ESTABLISHMENT OF INSTITUTE.—The Secretary of Commerce, in cooperation with the representatives described in subsection

(b), shall establish the United States Intellectual Property Training Institute (hereinafter in this section referred to as the "Institute").

(b) BOARD OF INSTITUTE.—The Institute shall be directed by a Board including representatives of-

(1) the Department of Commerce;

(2) the Patent and Trademark Office;

(3) the Copyright Office;

(4) the United States Trade Representa-

(5) the United States Agency for International Development; and

(6) executives of United States corporations which need protection of intellectual property rights in domestic and foreign operations, who shall be designated by the Secretary after consultation with relevant industry sector advisory committees established pursuant to section 135 of the Trade Act of 1974 (19 U.S.C. 2155). (c) Purposes of the Institute.

(1) The purpose of the Institute is to train individuals of developing nations in both management and technical skills regarding the protection of intellectual property. Such training shall include individuals who are involved in patent and copyright protections through any government agencies dealing with such protections.

(2) The Institute shall provide training

which may include

(A) recommendations for enforcement of

intellectual property laws;

(B) guidelines for the adoption of such an intellectual property law, provisions of a model law, or suggestions for amendments to any such existing law; and

(C) instruction regarding the philosophy of such a law and policy considerations involved in the adoption or amendment, and

enforcement of such law.

(d)(1) The Institute shall be established, supported, and maintained by nongovernmental funds and financing. No Federal funds are authorized by this section to be appropriated to establish, support, or maintain the Institute.

(2) Nothing in this subsection may be construed to preclude the Agency for International Development, or any other Federal agency or department, from participating in the activities of the Institute or from making loans or grants to the Institute that are authorized under any provision of law other than this section.

SECTION-BY-SECTION ANALYSIS OF THE TECH-NOLOGY TRANSFER AND INTELLECTUAL PROP-ERTY PROTECTION ACT

SECTION 1. TITLE

This Act may be cited as the "Technology Transfer and Intellectual Property Protection Act."

SECTION 2. FINDINGS

The findings emphasize the link between the protection of U.S. intellectual property rights and our international competitive-ness. Conditions in investment, licensing, and market access threaten our intellectual property rights. The enormous disparity in technology flows is a major factor in the trade gap between the U.S. and several of its trading partners. Access to basic research and technology is essential to achieve reciprocity in international competition.

SECTION 3. AUTHORIZATION OF NEGOTIATIONS

Section 3 gives the US Trade Representative (USTR) authority to negotiate both bilateral and multilateral agreements with countries which do not permit us access to their technology. The goal is to ensure that the United States has the same access to basic research and technology developed in other countries as our overseas competitors have to technology developed in this country. To accomplish this the bill makes reciprocal access to technology a bilateral and multilateral negotiating objective of our trade negotiators. The bill also makes this a specific objective of the new GATT round.

SECTION 4. MONITORING OF TECHNOLOGY TRANSFERS

Section 4 requires USTR, in conjunction with the National Science Foundation, to monitor technology flows between the U.S. and other countries, and to report annually on such flows to the Congress. USTR will incorporate the report on technology flows in its annual report on the National Trade Estimates, as required by Section 181 of the Trade Act of 1974. Most of our current information about outward flows of technology come from the Japanese and others, but not, in any organized fashion, from the U.S. government. The NSF has more information than any federal agencies about the various ways in which we share technology with other countries (e.g. through licensing agreements, university research and fellow-

SECTION 5. RESPONSE TO UNREASONABLE

Section 5 of this bill amends Section 301 of the Trade Act of 1974 to make two practices actionable under this statute. The first practice is the requirement of that American firms transfer technology as a condition for importing. The second practice is the requirement that a firm divulge technical data about a product in order to receive marketing approval from foreign government regulatory agencies, analogous to the U.S. Food and Drug Administration, the FCC, or the U.S. EPA. This letter practice affects chemical, pharmaceutical, and even some high technology products which U.S. firms wish to sell in foreign countries.

In both cases the practices would be classified as unreasonable within the meaning of the statute.

SECTION 6. MONITORING FOREIGN INTELLECTUAL PROPERTY SYSTEMS

Section 6 contains some proposals designed to further protect U.S. intellectual property rights overseas. The bill assigns to the Department of Commerce responsibility for monitoring and reporting on intellectual property systems worldwide to the U.S. Foreign and Commercial Service.

U.S. commercial officers abroad, with appropriate training, would assume responsibility for maintaining current files on intellectual property protection afforded on a sector-by-sector basis in their host countries, filing annual reports with the Department of Commerce on changes to such laws in each sector; and apprising, upon request, potential U.S. exporters and foreign direct investors of protection afforded intellectual property rights in the "host countries."

SECTION 7. FOREIGN ASSISTANCE FOR DEVELOP-MENT PROGRAMS TO PROTECT INTELLECTUAL PROPERTY RIGHTS

This bill provides for technical assistance to developing countries which have inadequate laws in this area. This assistance will help them design systems for protection of intellectual property. In Section 7, the bill requires the Commerce Department, working with the Patent and Trademark Office and the U.S. Copyright Office, to identify the technical assistance needs of less developed countries in this regard.

The bill instructs U.S. agencies, responsible for development assistance, to use their existing economic assistance programs to promote the adequate protection of intellectual property rights in developing countries. Our economic assistance programs, which stress market oriented development, should also promote indigenous R&D in those countries, in order to reduce the need to pirate foreign technology.

SECTION 8. UNITED STATES INTELLECTUAL PROPERTY TRAINING INSTITUTE

In this same vein, Section 8 of the bill instructs the Commerce Department and the relevant industry sector advisory committees to design and establish a U.S. Intellectual Property Training Institute. Modeled after the privately funded U.S. Telecommunications Training Institute, the Intellectual Property Institute is to be a joint venture between the U.S. government and major American firms which produce patented or copyrighted products.

The purpose would be to train management and technical staff from developing country governments in the enactment and enforcement of appropriate patent and copyright laws, as well as to provide an overall policy orientation in favor of respect for intellectual property and development of indigenous technology. While U.S. government agencies will have a small number of seats on the Board of the Institute, the major costs for such a joint venture are to be borne by the private company participants.

• Mr. BENTSEN. Mr. President, I am pleased to join today with my friend, Senator Chafee, in introducing the Technology Transfer and Intellectual Property Protection Act.

As I have said on many occasions, the billions of dollars spent on research and development in this country is a major source of our international competitiveness. If we cannot protect our intellectual property, our ability to compete internationally is seriously hampered. For this reason, I am a principal cosponsor of S. 2435 with Senator Wilson, which improves remedies for U.S. companies trying to protect their intellectual property abroad and prevent the infringement of their intellectual property in the United States.

But it is also important for us to improve the access of our U.S. companies to foreign technological developments. In many areas, there is no need for the U.S. manufacturer to exhaust his capital going up a learning curve when foreign firms or governments have already done so. This is the principal subject of the bill Senator Chafee and I are introducing today.

The main provision of the bill authorizes negotiations for equitable access by U.S. persons to foreign developed technology. This can be important to our high technology companies.

For example, in Japan, according to one of the most knowledgeable commentators on the subject, Prof. Ezra F. Vogel, the Government supports research in individual firms through matching grants. Usually, the Japanese companies are allowed to keep most patents.

For example, in developing the very large scale integrated circuit in 1979, the Government in Japan contributed about 40 percent of the cost of a project to produce semiconductors that would compete with the most advanced semiconductors IBM could produce. It was understood this technology would not be licensed outside Japan.

In contrast, much of America's research and development is done in small innovative companies that sell their technology to others, including foreigners, and U.S. Government-developed technology is often freely available to foreigners.

This bill authorizes the administration to negotiate to reduce barriers to access to such information.

This bill also makes technology transfer issues a link in our national trade strategy. It requires the National Science Foundation to monitor transfer of technology between the United States and foreign countries and prepare a section of the National Trade Estimate on the subject. As the original designer of the National Trade Estimate, I strongly support this provision, because technology transfer is an important aspect of our national trade strategy, that should be reflected in the National Trade Estimate.

The bill also authorizes the President to retaliate against foreign countries which use unfair trade concessions requirements to limit U.S. exports unless U.S. companies are willing to give away their intellectual property or other technology information. This has been going on for years, but our Government has done nothing about it.

In 1960, the Japanese Ministry of International Trade and Industry permitted IBM to establish a wholly owned subsidiary in Japan, but in return IBM had to agree that it patents available for licensing to companies in the United States under a 1956 American court decree would be available for licensing on the same basis to interested Japanese manufacturers.

Under the unfair trade concessions provision of this bill, if this type of requirement hurt U.S. exports, the President would be authorized to retaliate. I am pleased to see that today Senator Chafee is joining me on S. 2226, the unfair trade concessions requirements bill, which served as the basis for section 5 of the bill we are introducing today.

In addition, this bill makes important contributions to strengthening intellectual property protection worldwide, which will help U.S. exporters. It requires the Foreign Commercial Service to maintain current files on intellectual property protection afforded

abroad on a sector-by-sector basis; it requires our foreign aid programs to include an element of assistance in helping developing countries conceive adequate intellectual property protection systems; and it requires the Secretary of Commerce to establish an Intellectual Property Training Institute, to train individuals of developing nations in the technical skills needed to run an effective intellectual property protection program.

Mr. President, in introducing this bill, Senator CHAFEE and I have taken account of the recommendations of the private sector task force on intellectual property giving advice to the Advisory Committee on Trade Negotiations, which is the main advisory committee created by the Trade Act of 1974 to advise the President on trade policy. We are listening to the private sector, trying to put their policies into effect. We hope this will encourage the administration to do the same, and that through this process we can develop a coordinated trade policy for the United States in all areas, including, but not limited to, intellectual property.

By Mr. GORTON:

S. 2664. A bill to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal year 1987, and for other purposes; to the Committee on Commerce, Science, and Transportation.

NATIONAL BUREAU OF STANDARDS AUTHORIZATION ACT, FISCAL YEAR 1987

• Mr. GORTON. Mr. President, today I am introducing legislation to authorize fiscal year 1987 appropriations for the National Bureau of Standards [NBS], the Office of Productivity, Technology, and Innovation [OPTI], and the National Technical Information Service [NTIS] of the Department of Commerce. The following table compares the authorization levels in the bill with fiscal year 1986 levels (after the Gramm-Rudman-Hollings sequester), the levels requested by the President, and the levels assumed in the budget resolution:

| | 1986 level | 1987 request | Budget resolu- tion | Pro- posed 1987 authori- zation |
|----------|---------------|-----------------|---------------------------|---|
| NBS OPTI | 118.7 | 124.0 | 125.0 | 124.7 |
| | 1.7 | 1.5 | 1.7 | 1.7 |
| | .5 | .4 | .5 | .5 |

As the table shows, the authorization levels are within the targets prescribed by the budget resolution.

Mr. President, I would like to describe briefly for my colleagues some of the activities of these agencies, the budgetary issues, and the provisions of my bill.

NATIONAL BUREAU OF STANDARDS

The National Bureau of Standards is the only Federal laboratory directed specifically to work with United States. The Bureau was created in 1901 to develop national standards of measurement for use in industrial manufacturing, engineering, and scientific research. In recent years, the Bureau's measurement standards and materials research have contributed to productivity and safety in emerging high-technology industries, such as biotechnology, robotics, and advanced ceramics.

The Congress has a difficult task in funding the Bureau because the evolution of technology requires the Bureau to move continuously into new areas. At the same time, many of the Bureau's current programs continue to be of significant and widespread value and, if abandoned, could not be efficiently assumed by private or governmental entities. This situation causes the Congress either to increase the Bureau's budget or to pick and choose among programs which we all agree are of great value to U.S. industry.

This situation is exemplified by the administration's request for a \$10 million appropriation to begin building a cold neutron research facility. This facility would provide precise measurement of the properties of chemicals and materials, and would be valuable for industrial and materials research.

The funding increase for the Cold Neutron Research Facility in the administration's budget is offset by the proposed elimination of the Bureau's Center for Fire Research [CFR] and Center for Building Technology [CBT]. CFR studies the physical properties of fire and the dynamics of fire within structures. Research performed at CFR is important to the development of fire safety technologies and regulations. CBT provides technical support for building standards, performs research in structural engineering and building materials, and investigates major structural failures.

Mr. President, these very same proposals—elimination of CFR and CBT and construction of a Cold Neutron Research Facility—were transmitted to the Congress last year. The Congress responded by restoring funding for CFR and CBT and by not funding Cold Neutron. The bill I am introducing today specifically authorizes CFR and CBT at their 1987 base levels and does not fund the Cold Neutron Research Facility.

As I mentioned, we cannot, within our budgetary targets, afford to increase the Bureau's budget. Although the Cold Neutron Research Facility would be valuable, I cannot accept it at the cost of eliminating CBT and CFR. The administration, although acknowledging the importance of the two centers, argues that the centers' work could be assumed by the private

sector or by State and local governments. I know of no evidence that this is the case; in fact, my requests to the administration to present such evidence have not been addressed. Private companies and local governments cannot afford to construct the facilities necessary to do the valuable research which is done at CFR and CBT.

My bill includes sufficient funding to restore proposed reductions in the Bureau's Institute for Computer Science and Technology. The administration has requested to cut funding for the Institute by nearly half to discontinue the Institute's work in networking. The administration argues that this function has been assumed by the private sector. Although the private sector has become active in this area, testimony before the Commerce Committee indicates that the private networking efforts still depend on the Bureau, and that termination of the Bureau's role is not appropriate. My bill restores funding for the Institute to its 1986 post Gramm-Rudman-Hollings level of \$9.242 million.

The bill also assumes the restoration of proposed reductions to the Bureau's competence fund and postdoctoral research program. The competence fund finances small, pilot research projects and is a major means by which the Bureau evaluates the potential value of larger projects in given areas. The postdoctoral fund is used to bring scientists and engineers to work tempo-

rarily at the Bureau.

Finally the authorization level in the bill for the Bureau is sufficient to fund modest increases for advanced ceramics research (\$783,000), scientific computing support (\$550,000), and fiber optics research (\$950,000). These increases have been requested by the administration.

OFFICE OF PRODUCTIVITY, TECHNOLOGY, AND INNOVATION

Mr. President, OPTI coordinates Federal technology transfer programs and Federal patent policy, and works with businesses and State and local governments on productivity improvement and technological development. OPTI houses the Office of Metric Programs, the Office of Strategic Resources, and the National Technical Information Service.

The President has requested an appropriation of \$1,510,000 to phase out OPTI. My bill authorizes \$1,727,000 for OPTI, which is the 1986 post Gramm-Rudman-Hollings level. The bill rejects the proposal to phase out OPTI. Although small, OPTI provides valuable services in areas of growing interest to State and local governments. These services exist nowhere else in the Federal Government.

NATIONAL TECHNICAL INFORMATION SERVICE

NTIS is the source of Federal technical and scientific documents, and licenses patents for some Federal agen-

cies. NTIS is self-sustaining except for its patent-licensing function.

The administration requested a budget of \$443,000 for NTIS and asked NTIS to study the administration proposal to transfer the functions of NTIS to the private sector. My bill authorizes \$500,000 for NTIS.

Mr. President, I ask unanimous consent that the text of the bill be inserted into the Record at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2664

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Bureau of Standards Authorization Act for Fiscal Year 1987".

AUTHORIZATION FOR PROGRAM ACTIVITIES

SEC. 2. (a) There are authorized to be appropriated for fiscal year 1987 to the Secretary of Commerce to carry out activities performed by the National Bureau of Standards the sums set forth in the following line items:

(1) Measurement Research and Standards, \$37.718.000.

(2) Materials Science and Engineering, \$21,882,000.

(3) Engineering Measurements and Standards \$35,858,000

(4) Computer Science and Technology, \$9,242,000.

(5) Research Support Activities, \$19,961,000.

(b) Notwithstanding any other provision of this or any other Act—

(1) of the amount authorized under subsection (a)(3) of this section, \$3,100,000 is authorized to be appropriated only for the Center for Building Technology and \$5,141,000 is authorized to be appropriated only for the Center for Fire Research; and

(2) none of the funds authorized to be appropriated under subsection (a)(5) of this section may be used for the design and construction of a Cold Neutron Research Facility.

OFFICE OF PRODUCTIVITY, TECHNOLOGY, AND INNOVATION

SEC. 3. In addition to the sums authorized to be appropriated by section 2 of this Act, there are authorized to be appropriated to the Secretary of Commerce \$1,727,000 for fiscal year 1987 for the activities of the Office of Productivity, Technology, and Innovation.

NATIONAL TECHNICAL INFORMATION SERVICE

SEC. 4. In addition to the sums authorized to be appropriated by sections 2 and 3 of this Act, there are authorized to be appropriated to the Secretary of Commerce \$500,000 for fiscal year 1987 for the patent licensing activities of the National Technical Information Service.

By Mr. SYMMS (for himself, Mr. Burdick, Mr. Hecht, Mr. Abdnor, Mr. Melcher, Mr. Bentsen, Mr. Cochran, Mr. Simpson, Mr. DeConcini, Mr. Hatch, Mr. Baucus, and Mr. Domenici):

S. 2665. A bill to amend the national maximum speed limit law; to the Committee on Commerce, Science, and Transportation.

NATIONAL SPEED LIMIT LEGISLATION

 Mr. SYMMS. Mr. President, I would like to say a few words in support of the bill which I, and 11 of my colleagues have just introduced.

Briefly, this legislation would allow States to raise the speed limit up to 65 miles per hour on rural interstate highways. For purposes of this legislation, rural interstates are defined as interstate highways located outside an urbanized area with a population of 50,000 or more.

This is a modest, sensible modification of our national maximum speedlimit law. The benefits of modifying our speed-limit law in this way are manifold. This bill will enhance the motoring public's respect for all laws relating to highway travel and safety. It will allow States to take into consideration variety of terrain, highway quality, and usage when determining a highway's speed limit. It will lead to speed-limit laws which enhance. rather than inhibit, the interstate transport of goods. And, most significantly, the modification I propose will not compromise the safety of highway

The imposition of speed limits should be a responsibility and a power vested in State and local authorities. Except during World War II, this responsibility has always rested with State and local governments. We should return it to their hands now. The States are in a far better position than the Federal Government to set safe and reasonable speed limits in their jurisdictions.

There is no rational reason why a driver on the long, straight, and barren desert freeways of Nevada, Idaho, and Montana should be federally constrained to travel at the same speed as a commuter on the D.C. Beltway.

By allowing the States to again make these regulations, we will gain productivity, time, money—and at the same time continue to maintain a safe highway system.

Law enforcement would also benefit by regaining the cost in employee hours and funds expended to enforce the 55-MPH-speed limit. Attempting to maintain speed limit compliance and, thereby, protect themselves against the loss of highway funds, many States have increased enforcement efforts on 55-MPH roadways to the detriment of other important highway safety programs.

In recent testimony before a committee of State highway officials, Deputy Chief J.M. Barnett of the California Highway Patrol noted that his department deploys "approximately 85 percent of our officers on 55-MPH roadways, an average of one on-duty officer for every 27 miles of 55 highway." "In California," he continued, "our current special program involves three fixed-wing aircraft devoted ex-

clusively to 55 enforcement working with designated teams of supplementary ground units. This effort is costing some \$3 million annually."

He also observed that "the 55-MPH-speed limit requires a substantial commitment of law enforcement resources at the expense of other programs—(drunk driving was cited earlier in the testimony as a more hazardous violation); yet our speed enforcement efforts do not have—and without public support, cannot have—a widespread and long-lasting impact."

This bill addresses the core of the speed-limit compliance problem without presenting a threat to highway safety. It would allow State officials to raise the speed limit to a reasonable level on highways that comprise, with the exception of urban interstates, the safest highway system in the country.

There are a total of 33,910 miles of interstate highway located outside urban areas. Every State except Delaware has some segments of rural interstate on which this bill would allow State officials to raise the speed limit up to 65 MPH.

Rural interstates comprise only percent of all highways posted at 55 MPH, and carry about 19 percent of all traffic on those highways. Yet, the fatality rate on rural interstates is lower than that of any other highway system except urban interstates. In 1984, fatalities on rural interstates accounted for less than 5 percent of all highway fatalities. In addition, those highways affected by this bill, the rural interstates, are capable of safely handling high speed traffic. These roads were designed to safely accommodate vehicles traveling at speeds far greater than 55 MPH. This is demonstrated by the impressive safety record of these roads, despite the fact that motorists currently travel these roads at more than 55 MPH.

Actual driving speeds on rural interstates are now well above the 55-MPH limit. In 1985, the average speed on rural interstates was 59.5 MPH, and 23 States reported average speeds in excess of 60 MPH on those highways; 85 percent of the vehicles on rural interstates in 1985 were traveling at 66 MPH.

Based on this data, one could expect only slight increases in actual driving speeds if States choose to raise the speed limit to 65 MPH on rural interstates. Setting a higher speed limit on rural interstates should allow a majority of motorists to comply with the law while driving at speeds which are reasonable and comfortable, given the conditions and traffic volumes on those rural interstates.

This bill, then, represents a reasonable, modest, and cautious approach to dealing with a widespread problem on America's highways. I hope that the Members of this body will see that on

this issue it is in all of our best interests to respect the wishes—as expressed in their actions—of the overwhelming majority of American motorists and return the authority over speed limits to those in the States who are most qualified to make rational policy in this area.

By Mr. BUMPERS (for himself and Mr. Ford):

S. 2666. A bill to provide for a study by the Federal Communications Commission of the encryption of certain television programming, and ensure the availability of certain encrypted programming for private viewing under competitive market conditions; to the Committee on Commerce, Science, and Transportation.

COMPREHENSIVE SATELLITE DISH OWNERS FAIRNESS ACT

Mr. BUMPERS. Mr. President, Today I am introducing with my distinguished colleague from Kentucky, Senator Ford, a comprehensive bill on the knotty issue of scrambled satellite television signals, the Comprehensive Satellite Dish Owners Fairness Act of 1986. There continues to be widespread confusion about this issue, and I hope with this bill to clear the air.

This bill is carefully designed to resolve the question of full access under competitive conditions to satellite cable programming to dish owners and to ensure that the terms of this access are fair, particularly to those in rural areas. At present, it is evident that rural dish owners are not getting a fair deal. In fact, our present situation is downright antirural.

I have previously made my case for rural dish owners on the Senate floor, and those arguments stand today. Dish owners do not want and never asked for a free ride. None I have talked to have suggested that they should get free programming that others in the city must pay for. Nor do they think that scrambling is an improper way for program providers to protect their signals. Nor do they wish to discriminating against or bar existing cable companies from their right to compete for their business.

All they ask is that they be treated equally with those on cable systems, their city cousins only in the last 6 years have dishes brought the video revolution to the country, and with that the information and entertainment that city dwellers have long taken for granted.

The costs for premium programming—such as HBO, Cinemax, Showtime, et cetera—to dish owners beyond a cable system remain far above those in the city, and for no good reason. For a rural citizen of this country to receive fee television, he must pay \$2,000 to \$5,000 for a dish, then \$395 area decoder and then la carte monthly charges for each scrambled program

this issue it is in all of our best inter- which is far above the national cable ests to respect the wishes—as ex- average for those same programs.

If one computed these costs on a monthly basis, the equation would yield a monthly cost of around \$95 for a dish owner. The dish owner's city cousin, who may only live 1 mile down the road, can get the same service for \$25 to \$30 per month. Mr. President, this is outrageous and must be stopped. Clearly, a competitive market would not yield such a disparity.

I intend to more fully outline my arguments on behalf of dish owners as a witness before Senate Commerce Committee hearing on scrambling on July 31. I intend to talk about this bill at the hearing, and I hope that the committee will give this legislation very serious consideration. This legislation will be an important step in putting the controversy surrounding scrambling behind us.

This bill represents a compromise of the views of all parties to this controversy. I know many were concerned that the FCC would have to regulate prices for either decoders or programming, and we are not calling for that with this bill. We believe a fully competitive market will yield the best prices for consumers. First and foremost, it seeks to protect the rural television program consumers and ensure that they are treated fairly. It broadens a more limited bill (S. 2290) that Senator Ford and I introduced earlier this year. We need to act on this measure before Congress adjourns this fall.

The bill has three major provisions. The first requires the Federal Communications Commission to initiate a notice of inquiry to address several of the most thorny issues regarding scrambling. The bill is very clear on the matters to be evaluated by the FCC, and I refer my colleagues to the bill for specific points. In sum, it requires the FCC to evaluate and solicit public comments on the independent distribution of programming to rural dish owners, and other issues relating to implementing a fully competitive market. It further requires the FCC to report to Congress on its findings. Finally, it requires the FCC to take charge of monitoring this market, which they should have been doing all

The bill's second provision contains two subsections that are straight from our previously introduced bill, S. 2290. We require the FCC to set uniform standards for decoder equipment with a view toward ensuring that dish owners will need only one decoder for all scrambled programming, and scrambling becomes unlawful if decoding equipment is not available within 60 days of requests for sale or lease of such equipment. These provisions will give assurances to dishowners that their substantial investment is a sound one, and that the costs of receiving programming will not continue to rise

every time a programmer decides to scramble.

The third provision requires the Justice Department to report to Congress within 6 weeks of enactment, on its work investigating possible antitrust violations in the present noncompetitive marketplace for scrambled programming. We simply want to know if our antitrust laws are being violated and if so, is anything being done about it.

Let me again state that I will go into greater detail at the upcoming hearings on my arguments in favor to this essential legislation. I urge my colleagues to carefully consider the importance of this issue to rural America. After doing so, I hope they will agree that the legislation Senator Ford and I offer today is essential to rural America, and will lend their support.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2666

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Comprehensive Satellite Dish Owners Fairness Act of 1986".

FEDERAL COMMUNICATIONS COMMISSION STUDY
OF SATELLITE TRANSMITTED ENCRYPTED PROGRAMMING

SEC. 2. (a) Within seven days after the date of enactment of this Act the Federal Communications Commission (hereinafter in this Act referred to as the "Commission") shall initiate a notice of inquiry to address issues concerning assured access to certain encrypted programming by satellite earth station owners in a competitive market. The Commission shall monitor, evaluate, and solicit comments on—

(1) the availability of satellite cable television programming at competitive prices for private viewing, including a consideration of the geographically diverse areas beyond the reach of franchised cable areas existing on the date of enactment of this Act;

(2) the extent of competition among the distributors of satellite cable programming beyond the bounds of franchised cable areas and the price variations as a result of such competition, both between retail sellers within a certain distribution system and alternative distribution systems;

(3) the practices of the program suppliers with regard to making satellite cable programming available to distributors;

(4) the extent to which independent distributors (including rural electric cooperatives or satellite dish dealer cooperatives) unaffiliated with franchised cable systems are engaged in the marketing of satellite carried programming and the appropriateness of the entry of such persons in the satellite cable programming market;

(5) the extent to which packaged programming is made available to satellite earth station owners;

(6) the price and availability of programming to any person beyond a franchised cable system in comparison to similar programming within a cable system in geographically diverse regions;

(7) the availability of broacast programming to all areas of the United States to properly identify areas unserved by network affiliate stations where signal strength is two-hundred microvolts or less;

(8) ways to aid the extension of the network or affiliate signal to unserved areas, either through satellite carried signals or

translator services; and

(9) the determination of ways to allow program providers protection of back haul feeds and unedited programming other than making the viewing of unencrypted signals illegal.

(b) For purposes of subsection (a)-

- (1) the term "back haul feed" means any transmission intended solely for the internal use of a television network which is not part of the finished network product or as part of the network feed to affiliate stations;
- (2) the term "independent distributor" means a distributor of cable programming who is not a cable operator or program provider; and
- (3) the term "network feed" means any transmission from a network for distribution to affiliate stations for broadcast.

REPORT TO CONGRESS AND REFERENCE TO OTHER AGENCIES OF THE UNITED STATES

SEC. 3. (a) No later than six months after the date of enactment of this Act, the Commission shall report to the Congress on findings and recommendations resulting from the inquiry conducted pursuant to section 2.

(b) The Commission shall refer to the Federal Trade Commission, the Department of Justice, or State law officials any act or practice which may constitute a violation of Federal or State law which the Commission finds in the inquiry conducted pursuant to section 2.

AMENDMENT TO THE COMMUNICATIONS ACT OF 1934

Sec. 4. Section 705 of the Communications Act of 1934 (47 U.S.C. 605) is amended—

(1) by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively; and

(2) by inserting after subsection (b) the following new subsection:

"(c)(1) No person may encrypt any satellite cable programming for private viewing after six months after the date of enactment of the Comprehensive Satellite Dish Owners Fairness Act of 1986 unless—

"(A) such encryption is conducted in accordance with uniform standards for encryption of such programming approved by

the Commission;

"(B) devices for decryption of such programming are available for sale or lease to any interested person within sixty days after submission of a request for such sale or lease.

"(2) The Commission shall promulgate regulations to—

"(A) provide for uniform standards for encryption and the sale or lease of devices under paragraph (1); and

"(B) ensure, to the greatest extent possible, that earth station owners shall need only one such device to decrypt any such programming.

"(3) Any person aggrieved by any violation of paragraph (1) of this subsection may bring a civil action in a United States district court or in any other court of competent jurisdiction. Such court may—

"(A) grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain such violations; and

"(B) direct the recovery of full costs, including awarding reasonable attorney fees, to a prevailing plaintiff.".

DEPARTMENT OF JUSTICE REPORT TO CONGRESS

SEC. 5. Within six weeks after the date of enactment of this Act, the Department of Justice shall complete an investigation and report to the Congress on the antitrust implications of the development of the marketing structure of the cable communications industry pursuant to the Cable Communications Policy Act of 1984, with respect to satellite earth station owners.

Mr. FORD. Mr. President, I would like to associate myself with the remarks of the distinguished Senator from Arkansas. I used one of those tactics that is not very palatable to me—holding up the passage of a piece of legislation until there was an agreement that we could even get a hearing on this very emotional issue. I am very pleased as a result of that now we do have a hearing in the Commerce Committee on July 31 to begin to unscramble, if I can use the term, the problems that are being faced by rural America as it relates to the dish.

By Mr. BYRD (for Mr. Bentsen, for himself, Mr. Chafee, Mr. CHILES, Mr. DURENBERGER, Mr. BAUCUS, Mr. GRASSLEY, and Mr. BRADLEY):

S. 2667. A bill to amend title XIX of the Social Security Act to permit States the option of providing prenatal, delivery, and postpartum care to low-income pregnant women and of providing medical assistance to lowincome infants and children under 6 years of age; to the Committee on Finance.

INFANT MORTALITY REDUCTION AND CHILD HEALTH ACT

• Mr. BENTSEN. Mr. President, today with my colleagues Senators Chapee, Chiles, Durenberger, Baucus, Grassley, and Bradley, I am introducing the Infant Mortality Reduction and Child Health Act of 1986. The purpose of our legislation is to amend title XIX of the Social Security Act, Medicaid, to permit States the option of providing prenatal, delivery, and postpartum care to low-income mothers, and of providing medical assistance to low-income infants and children through the age of 5.

Under the provisions of our bill, States are permitted to restructure their Medicaid programs by extending health care coverage to mothers and infants from families whose income falls between the Federal poverty level—or \$10,990 for a family of four—and the State Medicaid eligibility standard. During the first year, mothers and infants up to the age of 1 would be eligible for services. Thereafter, care could be offered older children through the age of 5. While we would have preferred to extend coverage to 2-year-olds and beyond immedi-

ately, budget considerations require that the toddler and older child population be phased in, a year at a time to 1991 when all eligible preschoolers may be provided care.

At the request of interested State officials, we have included a provision giving States the option of applying an assets test when determining eligibility for coverage. Numerous Medicaid Program directors indicated their hope that with enactment of these program changes, Congress and the administration would agree to allow the use of an assets test as a way of ensuring consistency between health care coverage for the categorically needy and the newly eligible population of mothers and children.

Mr. President, the provisions incorporated in this bill grew out of a series of recommendations developed by the Southern Governors Task Force on Infant Mortality, chaired by the able chief executive of South Carolina, Gov. Richard Riley. Endorsed by the Southern Gov. Association and by the National Governors Association, enactment of these reforms in the Medicaid Program should generate significant savings by promoting cost-effective preventive health care.

Many of our colleagues in the Senate are familiar with earlier versions of this initiative introduced by Senators CHILES and DURENBERGER. S. 2288 and S. 2333, of which I am a cosponsor, are similar to our bill, but do not extend coverage to children beyond the age of 1. Moreover, at the time S. 2288 was introduced, the Congressional Budget Office had not finalized cost estimates and we therefore incorporated some phase in and assets test provisions that-in light of lower CBO estimates—can now be eliminated. Senators Chiles and Durenberger should be commended for their earlier work, and I am pleased that they have agreed to join as original cosponsors of S. 2667.

Mr. President, regrettably 10 of the 11 States with the worst infant and prenatal mortality rates are in the southern region of our country. Ironically, this is the same geographic area that has found expansion of eligibility under the Medicaid Program most difficult to achieve. Progress is being made in States like Texas, South Carolina, and Florida, but much remains to be done. By permitting States greater flexibility in fashioning a special program targeted to women and children whose family incomes place them slightly above current eligibility thresholds, but well below the national poverty threshold, we hope to make greater strides toward reducing the incidence of infant death, retardation and lifelong handicapping conditions.

As most of our colleagues know, prematurity and low birth weight are the most significant factors associated with infant mortality. Prenatal care and early intervention when a problem is identified can mean the difference between normal delivery of a healthy baby and death or a lifetime of coping with needless physical or mental disabilities. Moreover, the cost of caring for one low birth weight baby approaches \$15,000-while a full complement of prenatal services can be provided for less than \$500. At a time when the Institute of Medicine reports a conservative projection of \$3 in savings during the first year of life for every \$1 spent on prenatal care, we would be foolish to overlook an opportunity to improve the health of our Nation's children.

Currently, nearly 31/2 million women of child bearing age live in families whose incomes fall below the Federal poverty level, but above the eligibility threshold for Medicaid coverage. In many cases, prenatal care is simply not accessible to these individuals. Furthermore, of the growing number of Americans without health insurance coverage-35 million according to recent estimates-approximately onequarter are young children. Again, access to needed care is difficult, particularly for the children whose family incomes disqualify them from the Medicaid Program. In fact, less than one-half of the children whose incomes are below the poverty level are eligible for Medicaid.

Mr. President, the case developed by Governor Riley and his task force is compelling. I hope our colleagues will lend their support to State efforts to reduce infant mortality and the incidence of preventable handicaps by joining us as cosponsors of S. 2667.

Mr. President, I ask unanimous consent that the full text of our bill be

printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2667

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Infant Mortality Reduction and Child Health Act of 1986".

SEC. 2. PERMITTING POOR PREGNANT WOMEN AND INFANTS TO BE TREATED AS OPTION-AL CATEGORICALLY NEEDY INDIVID-HALS

(a) CREATION OF NEW OPTIONAL CATE-NEEDY GROUP.-Section 1902(a)(10)(A)(ii) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii) is amended— (1) by striking "or" at the end of sub-

clause (VII) and inserting a semicolon,

(2) by inserting "or" at the end of subclause (VIII), and

(3) by adding at the end the following new subclause:

"(IX) subject to subsection (h)(4), who are described in subsection (h)(1);"

(b) Description of Group.—Section 1902 of such Act is amended by inserting after subsection (g) the following new subsection: "(h)(1) Individuals described in this para-

graph are

"(A) women during pregnancy (and during the 60-day period following pregnancy),

"(B) infants under one year of age or, in the case described in subsection (e)(6),

"(C) children who have attained one year of age but have not attained two years of

"(D) children who have attained two years of age but have not attained three years of

"(E) children who have attained three years of age but have not attained four years of age.

'(F) children who have attained four years of age but have not yet attained five years of age, and

"(G) children who have attained five years of age but have not yet attained six

vears of age.

are not described in subsection (a)(10)(A)(i), whose family income does not exceed the maximum income level established by the State under paragraph (2) for a family size equal to the size of the family.

"(2) For purposes of paragraph (1), the State shall establish a maximum income level which is not more than 100 percent of the nonfarm income official poverty line defined by the Office of Management and Budget (and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.

'(3) Notwithstanding subsection (a)(17), for individuals who are eligible for medical assistance because of subsection (a)(10)(A)(ii)(IX)-

"(A) application of a resource standard shall be at the option of the State. "(B) the resource standards and method-

ology (if any) to be applied shall be-"(i) the resource standard and methodolo-

that is applied under the State plan under part A of title IV, "(ii) the resource standard and methodol-

ogy that is applied under title XIV or under subsection (f), or

"(iii) the resource standard and methodolthat is applied under subsection (a)(10)(C)(i)(III);

"(C) the income standard to be applied is the income standard established under paragraph (2), and

'(D) family income shall be determined in accordance with the methodology employed under the State plan under part A or E of title IV, and costs incurred for medical care or for any other type of remedial care shall not be taken into account.

Any different treatment provided under this paragraph for such individuals shall not, because of subsection (a)(17), require permit such treatment for other individuals. "(4)(A) A State plan may not elect the

option of furnishing medical assistance to described individuals in subsection (a)(10(A)(ii)(IX) unless the State has in effect, under its plan established under part A of title IV, payment levels that are not less than the payment levels in effect under its plan on the date of the enactment of this subsection.

"(B)(i) A State may not elect, under subsection (a)(10)(A)(ii)(IX), to cover only individuals described in paragraph (1)(A) or to cover only individuals described in paragraph (1)(B).

"(ii) A State may not elect, under subsection (a)(10)(A)(ii)(IX), to cover only individuals described in paragraph (1) unless the State has elected, under such subsection, to cover individuals described in the preceding subparagraphs of such paragraph.'

(c) Conforming Amendments.—(1) Section 1902(a)(17) of such Act (42 U.S.C. 1396a(a)(17)) is amended by inserting "except as provided in subsection (h)(2), after "(17)"

(2) Section 1903(f)(4) of such Act (42 U.S.C. 1396b(f)(4)) is amended by inserting "for any individual described in section 1902(a)(10(A)(ii)(IX) or" after "as medical assistance"

SEC. 3. RENEFITS.

(a) LIMITED FOR NEW PREGNANT WOMEN.-Section 1902(a)(10) of the Social Security Act (42 U.S.C. 1396a(a)(10)) is amended, in the matter after subparagraph (D)—
(1) by striking "and" before "(VI)", and

(2) by inserting before the semicolon at the end the following: ", and (VII) the medical assistance made available to individuals described in subsection (h)(1)(A) who are eligible for medical assistance only because of subparagraph (A)(ii)(IX) shall be limited to medical assistance for services related to pregnancy (including prenatal, delivery, and post partum services) and to other conditions which may complicate pregnancy'

(b) CONTINUATION OF MEDICAL ASSISTANCE FOR INFANTS RECEIVING INPATIENT SERVICES AT ONE YEAR OF AGE.-Section 1902(e) of such Act (42 U.S.C. 1396a(e)) is amended by adding at the end the following new para-

graph:

'(6) If a State plan provides medical assistance for individuals under subsection (a)(10)(A)(ii)(IX), in the case of an infant described in subsection (h)((1)(B)-

"(A) who is receiving inpatient services for which medical assistance is provided on the date the infant becomes one year of age,

"(B) who, but for becoming one year of age, would remain eligible for medical assistance as under such subsection.

the infant shall continue to be treated as an individual described in subsection (h)(1)(B) until the end of the stay for which the inpatient services are furnished."

SEC. 4. EFFECTIVE DATE.

(a) In General.-Except as provided in subsection (b), the amendments made by this Act shall apply to medical assistance furnished in calendar quarters beginning on or after October 1, 1986.

(b) Transition to Full Implementa-tion.—(1) Subparagraph (C) of section 1902(g)(1) of the Social Security Act, as added by section 2(b) of this Act, shall apply to medical assistance furnished in calendar quarters beginning on or after October 1,

(2) Subparagraph (D) of section 1902(g)(1) of the Social Security Act, as added by section 2(b) of this Act, shall apply to medical assistance furnished in calendar quarters beginning on or after October 1, 1988.

(3) Subparagraph (E) of section 1902(g)(1) of the Social Security Act, as added by section 2(b) of this Act, shall apply to medical assistance furnished in calendar quarters beginning on or after October 1, 1989.

(4) Subparagraph (F) of section 1902(g)(1) of the Social Security Act, as added by section 2(b) of this Act, shall apply to medical assistance furnished in calendar quarters beginning on or after October 1, 1990.

(5) Subparagraph (G) of section 1902(g)(1) of the Social Security Act, as added by section 2(b) of this Act, shall apply to medical assistance furnished in calendar quarters beginning on or after October 1, 1991.

• Mr. CHAFEE, Mr. President, infant mortality and low birthweight among

babies are two of the most distressing problems facing our Nation. Today, I am pleased to join Senator Bentsen in sponsoring legislation to address these

Eleven babies die out of every 1,000 infants born in this country. Few events could be as tragic as the death of a baby or the birth of a baby with birth defects. Many such heartbreaking outcomes could be prevented with proper prenatal care. The future of our Nation depends on our children and they deserve a better chance to be

born healthy.

It has been estimated that half the birth defects which occur in this country could be prevented through proper prenatal care. Prenatal services can drastically reduce the frequency of low-birth-weight babies who are 40 times more likely than other infants to die within the first year and who tend to suffer a wide range of longterm health problems.

The legislation we are introducing today will improve the delivery of prenatal care and health services to lowincome women and their children. Our bill will permit the States to furnish prenatal, delivery, and post partum care through the Medicaid Program to low-income pregnant women and medical assistance to their children under 6

years of age.

Think of the incalculable human cost which can be avoided if we improve the delivery of prenatal services. In purely economic terms, an average investment of \$600 for routine prenatal services and counseling could save as much as \$120,000 to \$200,000 for extended neonatal intensive care and an average of \$40,000 per year for 50 years for a disabled person in an institution.

The United States has one of the world's best programs for the treatment of low-birth-weight babies. Yet, we have a poor prevention program and our rate of low-birth-weight babies is higher than 11 other countries. According to the National Academy of Sciences, the rate could be cut by better than a tenth through improved prenatal care. The Academy estimates a cost-benefit ration of \$3.38 saved in the first year of a child's life

for \$1 spent in prenatal care.

Under current law, States that want to provide essential health care under Medicaid to poor women and infants, only provide services to those who are eligible for cash welfare. Therefore, health care services offered through the Medicaid Program reach fewer than one-half of all infants living in poverty. The legislation we are introducing today will begin to close this gap. It extends to States the option of providing prenatal, delivery, and post partum care to low-income pregnant women. In addition, medical assistance can be provided for low-income infants and children under 6 years of age in

families living at the poverty level without requiring that they also meet the eligibility standards for Aid to Families with Dependent Children.

When infant mortality trends deteriorate as they have in the United States, we must step back and ask-are our health delivery services adequate and effective? When the United States has poorer pregnancy outcomes than 11 other developed countries, we must ask why. When low birthweight is excessive among the poor, the poorly educated and those that do not receive proper prenatal care, we must take action. Our bill is necessary in order to insure that the poor who do not currently receive proper health care services have access to them. It is estimated that this bill will allow States to furnish services to an additional 40,000 low-income women who currently receive no services or at best limited services.

Even during a time of fiscal restraint it is sound economic policy to invest in the health of our poor mothers and children. Investment in improved pregnancy outcomes has enormous future returns in both human and fiscal terms.

 Mr. BRADLEY. Mr. President, I rise today to join my colleagues, Senator BENTSEN and Senator CHAFEE, in introducing the Infant Mortality Reduction and Child Health Act of 1986.

One of the ways that we judge progress in a society is the health of its people-particularly through such indicators as life expectancy and infant and maternal mortality. In our Nation, where health care is one of the fastest growing industries, it is appalling that the United States ranks only 12th in the world, behind most other industrialized nations, with an infant mortality rate of 11.2 per 1,000 live births. At our current rate of progress, the United States has little chance of meeting the Surgeon General's goal of reducing the infant mortality rate to 9 per 1,000 live births by 1990.

In my home State of New Jersey, the infant mortality rate is 11.5 per 1,000 live births, slightly above the national average. An infant born in Newark has no better chance of survival past the first year of life than an infant born in Costa Rica. The preventable death of an infant or young child is tragic anywhere. In a country with our advanced level of medical technology, we should be making use of our resources to do better.

Even more appalling than the high rates of infant mortality in our Nation is the shocking discrepancy among different segments of our population. The infant mortality rate for whites is 9.7 per 1,000 live births, but 16.8 for nonwhites. In New Jersey, the discrepancy between whites and nonwhites is even worse than this national average with an infant mortality rate for nonwhites-18.3 per 1,000 live birthsnearly double that for whites-9.5 per 1.000 births.

Mr. President, prenatal and preventive health care is extremely cost effective. For every \$1 spent on prenatal care, \$3 for potential neonatal intensive care and \$11 in potential lifetime costs for infants born at low-birth weight are avoided. It costs approximately \$350 a year for a child to have full preventive health care services. However, 1 day in the hospital for an untreated illness costs \$600. Children who participate in the Early Periodic Screening Diagnosis and Treatment [EPSDT] Program have annual health care costs that are 10 to 15 percent lower than children who do not receive this care. These are dollar savings. We must also consider the savings in human suffering that is within our power to prevent.

Mr. President, this bill will make important strides toward remedying these serious problems for our society. It will allow States to increase their Medicaid coverage for children and pregnant women up to 100 percent of the poverty level. Women and children who are currently living below the Federal poverty level, but whose family income is too high for AFDC eligibility will be able to obtain the medical care that can make all the difference in their lives. States will have flexibility in assets tests to determine

eligibility and may use the SSI, AFDC,

or medically needy tests. Importantly,

the bill will begin the incremental in-

clusion of children under the age of 6 for health services.

Mr. President, we frequently talk about the chain of problems facing our poor. This bill affords an entry point. Inadequate prenatal care contributes to the incidence of low-birthweight infants. These low-birth-weight infants experience a range of health problems. If these health problems go unresolved, they contribute to school difficulties and failure. Children who do poorly in school are more likely to become dropouts and join the ranks of the unemployed. And, in turn, these unemployed, undereducated, and welfare-dependent individuals are more likely to become pregnant as teenagers and fail to secure prenatal care. Thus the cycle continues unabated.

Mr. President, if ever there was a place to intervene, this is it. We can impact on our citizens, giving them the chance to be the best that they can be from the very beginning. We can no longer afford, in dollar costs or in human costs, not to extend prenatal care and health services to pregnant women, infants and young children. I strongly urge my colleagues to support this bill.

• Mr. CHILES. Mr. President, I am pleased to cosponsor with Senator Bentsen and Senator Chapte and others members of the Senate Finance Committee the Infant Mortality Reduction and Child Health Act of 1986. This bill builds on the concepts of S. 2288, the Infant Mortality Prevention Act of 1986 [IMPACT 1986], which I introduced on April 11, 1986.

Both of these bills would establish an important precedent for maternal and child health. They would allow States to expand Medicaid eligibility to cover prenatal care for pregnant women with family incomes up to 100 percent of the Federal poverty level without having to increase the statewide income eligibility level for all recipients of Aid To Families With Dependent Children [AFDC]. In addition, comprehensive health care coverage under Medicaid would be available for infants and children. Under the terms of my original bill, coverage would have been available for infants up to 1 year of age. Under this new bill we are introducing today, coverage for children would initially be available up to 1 year of age, but beginning next year expanded coverage would be phased in on a year-by-year basis until coverage for children through age 5 would be available in fiscal year 1992.

Mr. President, this initiative to encourage States to target their Medicaid resources on a very vulnerable population was first proposed by the Southern Governor's Task Force on Infant Mortality and has been endorsed by the National Governors Association. It has already received tremendous support here in the Senate. Forty-three Senators have cosponsored either my earlier bill or a similar version introduced by Senator DUREN-BERGER.

Official CBO cost estimates of this Medicaid coverage have been made available since these earlier bills were introduced, and I am very gratified to see that we can now expand the concept by phasing in coverage for older children while still staying well within our own initial cost estimates. The original budget resolution passed by the Senate allocated an additional \$100 million per year over the next 3 years for expanded coverage for pregnant women and chidren. This bill would stay well within that range, with an estimated 3-year cost of \$195 million. Even with this modest initial cost, however, it is clear that there will be long-range savings to both Federal and State governments from reduced expenditures for the much more costly neonatal intensive care and treatment of childhood disease and disability which can result from an absence of early preventive health care.

Mr. President, I encourage the rest of my colleagues to join with us and I look forward to quick action by the Senate Finance Committee and full Senate approval of this measure.

ADDITIONAL COSPONSORS

S. 1569

At the request of Mr. BINGAMAN, the name of the Senator from Michigan [Mr. Riegle] was added as a cosponsor of S. 1569, a bill to amend title XVIII of the Public Health Service Act to encourage health promotion and disease prevention through the implementation of a coordinated national nutrition monitoring system.

S. 1806

At the request of Mr. Boren, the name of the Senator from West Virginia [Mr. Rockefeller] was added as a cosponsor of S. 1806, a bill to amend the Federal Election Campaign Act of 1971 to change certain contribution limits for congressional elections and to amend the Communications Act of 1934 regarding the broadcasting of certain material regarding candidates for Federal elective office, and for other purposes.

S. 1869

At the request of Mr. LAUTENBERG, the name of the Senator from Tennessee [Mr. Gore] was added as a cosponsor of S. 1869, a bill to amend the Tariff Act of 1930 to enhance the protection of intellectual property rights.

S. 2099

At the request of Mr. Roth, the name of the Senator from Washington [Mr. Evans] was added as a cosponsor of S. 2099, a bill to amend section 201 of the Trade Act of 1974.

S. 2271

At the request of Mr. DENTON, the name of the Senator from Alaska [Mr. Murkowski] was added as a cosponsor of S. 2271, a bill for the relief of Jens-Peter Berndt.

S. 2331

At the request of Mr. Heinz, the name of the Senator from Florida [Mrs. Hawkins] was added as a cosponsor of S. 2331, a bill to amend title XVIII of the Social Security Act to assure the quality of inpatient hospital services and posthospital services furnished under the Medicare Program, and for other purposes.

S. 2370

At the request of Mr. Murkowski. the names of the Senator from New York, [Mr. MOYNIHAN], the Senator from Rhode Island [Mr. PELL], the Senator from Arizona [Mr. DECon-CINI], the Senator from Arizona [Mr. GOLDWATER], the Senator from Nebraska [Mr. Zorinsky], and the Senator from Alabama [Mr. DENTON] were added as cosponsors of S. 2370, a bill to allow the Francis Scott Key Park Foundation, Inc., to erect a memorial in the District of Columbia.

At the request of Mr. D'Amato, his name was added as a cosponsor of S. 2370, supra.

At the request of Mr. D'AMATO, the

METZENBAUM] was added as a cosponsor of S. 2411, a bill to prohibit possession, manufacture, sale, importation, and mailing of ballistic knives.

S. 2417

At the request of Mr. Byrn, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 2417, a bill to establish the Aviation Safety Commission, and for other purposes.

S. 2450

At the request of Mr. HEINZ, the name of the Senator from Alaska [Mr. Murkowskil was added as a cosponsor of S. 2450, a bill to amend title II of the Social Security Act to remove permanently the 3-percent threshold requirement for cost-of-living increases.

S. 2492

At the request of Mr. Heinz, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 2492, a bill to amend title XIX of the Social Security Act to permit States, at their option, to provide Medicaid coverage for poor elderly or disabled individuals and to provide Medical assistance for poor, Medicare beneficiaries in meeting Medicare costsharing requirements.

S. 2494

At the request of Mr. BRADLEY, the name of the Senator from Georgia [Mr. Nunn] was added as a cosponsor of S. 2494, a bill to amend title XVIII of the Social Security Act to modify the limitations on payment for home health services under the Medicare Program to conform regulations; to assure that all legitimate costs are taken into account in calculating such limitations; to provide affected parties an opportunity to comment on revisions in Medicare policies; and to require discharge planning procedures.

S. 2539

At the request of Mr. WARNER, the names of the Senator from Alabama [Mr. HEFLIN], the Senator from Tennessee [Mr. Gore], the Senator from Utah [Mr. GARN], the Senator from Louisiana [Mr. Johnston], the Senator from Georgia [Mr. Nunn], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of S. 2539, a bill to consolidate and improve provisions of law relating to absentee registration and voting in elections for Federal office by members of uniformed services and citizens of the United States who reside overseas.

S. 2576

At the request of Mr. BUMPERS, his name was added as a cosponsor of S. 2576, a bill to amend title XVIII of the Social Security Act to require timely payment of properly submitted Medicare claims.

S. 2589

At the request of Mr. ABDNOR, the name of the Senator from Mississippi name of the Senator from Ohio [Mr. [Mr. Cochran] was added as a cosponsor of S. 2589, a bill to create a secondary market for sound mortgages secured by farm real estate and guaranteed by the Farmers Home Administration, and for other purposes.

S. 2611

At the request of Mr. Stevens, the names of the Senator from Missouri [Mr. Danforth], the Senator from Oregon [Mr. Packwood], the Senator from Kansas [Mrs. Kassebaum], and the Senator from Alaska [Mr. Murkowskil were added as cosponsors of S. 2611, a bill to improve efforts to monitor, assess, and reduce the adverse impacts of driftnets.

S. 2646

At the request of Mr. Heinz, the name of the Senator from Kentucky [Mr. Ford], was added as a cosponsor of S. 2646, a bill to provide that no change may be made in the prospective payment rates established under section 1881(b)(7) of the Social Security Act with respect to outpatient maintenance dialysis services until certain requirements are satisfied.

SENATE JOINT RESOLUTION 196

At the request of Mrs. Hawkins, the name of the Senator from Arizona [Mr. DeConcini] was added as a cosponsor of Senate Joint Resolution 196, a joint resolution designating September 22, 1986, as "American Business Women's Day."

SENATE JOINT RESOLUTION 322

At the request of Mr. Lautenberg, the names of the Senator from Hawaii [Mr. Matsunaga], the Senator from Minnesota [Mr. Boschwitz], and the Senator from Utah [Mr. Garn] were added as cosponsors of Senate Joint Resolution 322, a joint resolution to designate December 7, 1986, as "National Pearl Harbor Remembrance Day" on the occasion of the anniversary of the attack on Pearl Harbor.

SENATE JOINT RESOLUTION 371

At the request of Mr. DECONCINI, the name of the Senator from Ohio [Mr. Glenn] was added as a cosponsor of Senate Joint Resolution 371, a joint resolution to designate August 1, 1986 as "Helsinki Human Rights Day."

SENATE CONCURRENT RESOLUTION 131

At the request of Mr. Hart, the name of the Senator from Michigan [Mr. RIEGLE] was added as cosponsor of Senate Concurrent Resolution 131, a concurrent resolution expressing the sense of the Congress that the Soviet Union should immediately provide for the release and safe passage of Naum Meiman and Inna Kitrosskaya-Meiman.

SENATE RESOLUTION 385

At the request of Mr. Sasser, the name of the Senator from Arkansas [Mr. Pryor] was added as a cosponsor of Senate Resolution 385, a resolution to express the sense of the Senate that certain action be taken to end hunger in the United States by 1990.

SENATE RESOLUTION 431

At the request of Mr. Bumpers, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of Senate Resolution 431, a resolution supporting the numerical sublimits of existing strategic offensive arms agreements

SENATE RESOLUTION 446

At the request of Mr. Kennedy, the names of the Senator from Maryland [Mr. Sarbanes] and the Senator from New York [Mr. Moynihan] were added as cosponsors of Senate Resolution 446, a resolution condemning the Government of Chile for the death of Rodrigo Rojas de Negri.

SENATE RESOLUTION 448— URGING MEASURES TO IN-CREASE AGRICULTURAL EX-PORTS

Mr. DIXON submitted the following resolution; which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. RES. 448

Whereas a continued high volume of agricultural exports is essential to prosperity in the nation's economy;

Whereas exports of United States agricultural products have declined drastically, both in value and volume, around 10 percent in the past year, and more than one-third since 1981;

Whereas declining agricultural exports of farm products resulted in an agricultural trade deficit of \$348.7 million in May, 1986, the first in more than 27 years;

Whereas U.S. grain exports to the Soviet Union have declined 50 percent since 1985; Whereas U.S. agricultural exports to the

Whereas U.S. agricultural exports to the Republic of China declined more than 65 percent from 1984 to 1985;

Whereas the Food Security Act of 1985 requires that the Secretary of Agriculture use agricultural commodities and products owned by the Commodity Credit Corporation, of between \$1 billion and \$1.5 billion in value, to carry out activities under the Export Enhancement Program; and

Whereas the Republic of China and the Soviet Union are not presently eligible to receive bonus commodities under the Export Enhancement Program, Therefore be it Resolved, That it is the Sense of the Senate that the President is encouraged to direct the Secretary of Agriculture to make available from stocks of agricultural commodities, owned by the Commodity Credit Cor-poration, bonuses for commercial export sales of agricultural commodities under the Export Enhancement Program, with such bonuses equal to an appropriate percentage of the volume of the commodity shipped, irrespective of the destination of the goods: and to further direct the Secretary of Agriculture, the United States Trade Representative, and the Secretary of State to aggressively pursue negotiations with U.S. trading partners aimed at increasing the amount of U.S. agricultural products sold under the Export Enhancement Program.

Mr. DIXON. Mr. President, last week I spoke on the floor of the U.S. Senate about the depressed state of our Nation's agricultural sector. I rise today to focus again on the issues of sagging exports and bulging surpluses.

U.S. agricultural exports have declined by more than 12 percent since last year and more than 37 percent since 1981. In May, the United States faced a deficit in agricultural trade. Agricultural imports exceeded agricultural exports by more than \$348.7 million for the first time in 27 years. We must take action. We cannot stand by and watch our export markets go to our competitors.

Last month, the National Commission on Agricultural Trade and Export Policy submitted its report to Congress. Among the Commission's recommendations was to use "all existing tools to expand markets for U.S. agricultural commodities and products." Well, Mr. President, in the 1985 farm bill, Congress gave the Secretary of Agriculture strong export tools. regret to inform my colleagues that the Department of Agriculture has not used these programs to their full advantage. One of the programs to which I refer is the export enhancement program, which was designed to offer Government-owned commodities as bonuses to U.S. exporters to expand sales of agricultural products in targeted markets. However, to date, the Department has used only about \$270 million of the \$1 billion authorized for this fiscal year.

Presently, two of our major trading partners, the Republic of China and the Soviet Union, are not eligible to purchase agricultural products under the Export Enhancement Program. I believe this is a mistake, Mr. President

Over the past several years, our agricultural trade with the Soviet Union has been plagued by a series of embargoes. Because of the serious repercussions these embargoes have had on the Nation's reputation as a reliable supplier, I sponsored an antiembargo amendment to the Export Administration Act which was accepted by Congress, aimed at preventing damaging agricultural embargoes for foreign policy reasons.

Mr. President, the distinguished manager of the Export-Import Bank bill was involved in managing the Export Administration Act on a prior occasion when my amendment was adopted to that act and ultimately adopted by the House of Representatives as well.

According to statistics provided by the Economic Research Service, Soviet purchases of U.S. grain exports have dropped 50 percent in the last year. In light of this dramatic reduction in Soviet imports of U.S. grain, and the possible effect of the Chernobyl incident on the availability of Soviet grain, I believe we need to reassess our past policies under the Export Enhancement Program.

Trade with the Repubic of China has also changed drastically over the to 1985, United States agricultural exports to China declined 65 percent.

Here in the United States, our farmers will soon face a widespread shortage of storage space for grain. During the Fourth of July recess, I spent a great deal of time traveling throughout my home State of Illinois. I can report, Mr. President, that my State is due to have a record harvest this fall. In fact, this spring, the farmers in my State planted their crops at a record pace. I remind my colleagues that once this grain is harvested, there will be no place to store it.

The combination of expiring loan contracts and a record harvest particularly complicate the storage situation. While the Commodity Credit Corporation and the Department of Agriculture have taken some steps to address basic problem-including the recent announcement that 1,000 barges will be used for emergency grain storage-much more remains to be done. I believe that one solution is to move this grain onto the export market under the Export Enhancement Program.

For these compelling reasons, Mr. President, I rise today to introduce a resolution which expresses the sense of the Senate that the President is encouraged to direct the Secretary of Agriculture to make available, from CCC stocks of agricultural commodities, bonuses for commercial export sales under the Export Enhancement Program, with such bonuses equal to an appropriate percentage of the volume of the commodity shipped, irrespective of the destination of the goods. It further that the President should direct the Secretary of Agriculture, that U.S. Trade Representative. and the Secretary of State to aggressively pursue negotiations with U.S. trading partners to increase the amount of exports sold under the Export Enhancement Program.

We have a greater number of countries now competing for a smaller export market, and we must do all we can to ensure that U.S. agricultural products retain a share of that market.

Mr. President, I believe that the American farmer has suffered greatly over the past several years. It is time that we pull together and do something which will be beneficial for our family farmer.

I urge my colleagues to support this resolution.

SENATE RESOLUTION 449-RELA-TIVE TO THE DEATH OF THE HONORABLE GEORGE O'BRIEN, A REPRESENTATIVE FROM THE STATE OF ILLINOIS

Mr. HEINZ (for Mr. DIXON, for himself, and Mr. Simon) submitted the fol-

past several years. In 1 year, from 1984 lowing resolution; which was considered and agreed to:

S. RES. 449

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable George M. O'Brien. late a Representative from the State of Illi-

Resolved. That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased Representa-

AMENDMENTS SUBMITTED

EXPORT-IMPORT BANK ACT AMENDMENTS

HEINZ AMENDMENT NOS. 2212 AND 2213

Mr. HEINZ proposed two amendments to the bill (S. 2247) to amend and extend the Export-Import Bank Act of 1945, and to eliminate foreign predatory export practices; as follows:

AMENDMENT No. 2212 "CONFORMING AMENDMENT

"SEC. 116. The second sentence of section 7(a) of the Export-Import Bank Act of 1945 is amended by inserting "and credit" immediately after the words "All spending"."

AMENDMENT No. 2213

On page 5, lines 20 and 21, strike "considered to be new budget authority and shall

HIGHWAY CONSTRUCTION AUTHORIZATION

LAUTENBERG (AND OTHERS) AMENDMENT NO. 2214

(Ordered referred to the Committee on Environment and Public Works.)

Mr. LAUTENBERG (for himself. Mr. Bradley, Mr. Heinz, and Mr. Spec-TER) submitted an amendment intended to be proposed by them to the bill (S. 2405) to authorize appropriations for certain highways in accordance with title 23, United States Code, and for other purposes; as follows:

On page 69, between lines 12 and 13, insert the following:

SEC. —. DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION.

(a) OBLIGATION TO REPAY FEDERAL FUNDS INVESTED ON I-80.

(1) The Delaware River Joint Toll Bridge Commission (hereinafter in this section referred to as the "Commission"), in conjunction with the State highway agencies of the Commonwealth of Pennsylvania and of the State of New Jersey, shall enter into an agreement with the Secretary of Transportation to repay to the Treasury of the United States any Federal funds which previously have been obligated or otherwise expended by the Federal Government with respect to the Delaware Water Gap Bridge on

I-80. Such repayment shall be credited to the Highway Trust Fund.

(2) Upon such repayment, such States and the Commission shall be free of all restrictions contained in title 23, United States Code, and any regulation or agreement thereunder, with respect to the collection or imposition of tolls or other charges for such bridge or the use thereof.

(b) AGREEMENT TO CONSTRUCT I-78 BRIDGE AS A TOLL BRIDGE.—If the Commonwealth of Pennsylvania, the State of New Jersey, and the Commission determine to operate the uncompleted bridge under construction in the vicinity of Easton, Pennsylvania, and Phillipsburg, New Jersey, on I-78 as a toll bridge, such States, the Commission, and the Secretary of Transportation shall enter into an agreement with respect to such I-78 bridge project as provided in section 129 of title 23, United States Code, notwithstanding the requirements of section 301 of such

title or any existing agreement.

(c) Commission's Authority To Charge TOLLS: RIGHT OF REVIEW BY FEDERAL AGEN-CIES PRESERVED.-The Commission's authority to fix, charge, or collect any fees, rentals, tolls, or other charges shall be as provided in its Compact, supplements thereto and the supplemental agreement described and consented to in subsection (f), but paragraph (c) of the supplemental agreement described and consented to in subsection (f) shall not be construed to eliminate the necessity for review and approval by any Federal agency, as may be required under applicable Federal law, to determine that the tolls charged by the Commission are reasonable and just consistent with the Commission's responsibilities under its Compact, supplements thereto and the supplemental agreement described and consented to in subsection (f)

(d) CONGRESSIONAL CONSENT NOT GRANTED TO TOLLS ON EXISTING NONTOLL BRIDGES. Nothing in this section shall be construed to grant congressional consent to the imposition of tolls by the Commission on any existing and operating bridge under the Commission's jurisdiction on which tolls were not charged and collected on January 1,

(e) CONGRESSIONAL APPROVAL NOT APPLICA-BLE TO I-895 CORRIDOR.-Nothing in this section shall constitute congressional approval to construct any additional toll bridge in the previously designated I-895 corridor.

(f) CONSENT OF CONGRESS TO SUPPLEMENTAL AGREEMENT CONCERNING AUTHORITY OF COM-

MISSION.

(1) The consent of the Congress is hereby given to the supplemental agreement, described in paragraph (2), concerning the Delaware River Joint Toll Bridge Commission, which agreement has been enacted by the Commonwealth of Pennsylvania on December 18, 1984, as Act 206, laws of 1984, and by the State of New Jersey on October 21, 1985, as Public Law 1985, chapter 342.

(2) The agreement referred to in paragraph (1) reads substantially as follows:

SUPPLEMENTAL AGREEMENT BETWEEN THE COM-MONWEALTH OF PENNSYLVANIA AND THE STATE OF NEW JERSEY

"Supplementing the Compact or Agreement 'Entitled Agreement between the Commonwealth of Pennsylvania and the State of New Jersey Creating the Delaware River Joint Toll Bridge Commission as a Body Corporate and Politic and Defining its Powers and Duties, as Heretofore Amended and Supplemented, to Establish the Purposes for Which the Commission May Fix,

Charge, and Collect Tolls, Rates, Rents, and Other Charges for the use of Commission Facilities and Properties'".

"The Commonwealth of Pennsylvania and the State of New Jersey do solemnly covenant and agree, each with the other, as follows:

"(a)(1) Notwithstanding any other provision of the compact hereby supplemented, or any provision of law. State or Federal to the contrary, as soon as the existing out-standing bonded indebtedness of the commission shall be refunded, defeased, retired, or otherwise satisfied and thereafter, the commission may fix, charge, and collect tolls, rates, rents, and other charges for the use of any commission facility or property and in addition to any purpose now or heretofore or hereafter authorized for which the revenues from such tolls, rates, rents, or other charges may be applied, the commission is authorized to apply or expend any such revenue for the management, operation, maintenance, betterment, reconstruction, or replacement (a) of the existing nontoll bridges, formerly toll or otherwise, over the Delware River between the State of New Jersey and the Commonwealth of Pennsylvania heretofore acquired by the commission pursuant to the provisions of the act of the State of New Jersey approved April 1, 1912 (Chapter 297), and all supplements and amendments thereto, and the act of the Commonwealth of Pennsylvania approved May 8, 1919 (Pamphlet Laws 148), and all supplements and amendments thereto and (b) of all other bridges within the commission's jurisdiction and control. Betterment shall include but not be limited to parking areas for public transportation services and all facilities appurtenant to approved projects.

"(2) The commission may borrow money or otherwise incur indebtedness and provide from time to time for the issuance of its bonds or other obligations for one or more of the purposes authorized in this supplemental agreement. The commission is authorized to pledge its tolls, rates, rents, and other revenues, or any part thereof, as security for the repayment, with interest, of any moneys borrowed by it or advanced to it for any of its authorized purposes, and as security for the satisfaction of any other obligation assumed by it in connection with such loan or advances.

"(3) The authority of the commission to fix, charge, and collect fees, rentals, tolls or any other charges on the bridges within its

jurisdiction, including the bridge at the Delaware Water gap, is confirmed.

"(4) The covenants of the State of New Jersey and the Commonwealth of Pennsylvania as set forth in Article VI of the compact to which this is a supplemental agreement shall be fully applicable to any bonds or other obligations issued or undertaken by the commission. Notwithstanding Article VI or any other provision of the compact, the State of New Jersey and the Commonwealth of Pennsylvania may construct a bridge across the Delaware River in the vicinity of Easton, Pennsylvania, and Phillipsburg, New Jersey, within 10 miles of the existing toll bridge at that location. All the rest and remainder of the compact, as amended or supplemented, shall be in full force and effect except to the extent it is inconsistent with this supplemental agree-

"(b) The commission is authorized to fix, charge, or collect fees, rentals, tolls, or any other charges on the proposed bridge to be constructed in the vicinity of Easton, Penn-

sylvania, and Phillipsburg, New Jersey, in the same manner and to the same extent that it can do so for other toll bridges under its jurisdiction and control provided that the United States Government has approved the bridge to be a part of the National System of Interstate and Defense Highways with 90 percent of the cost of construction to be contributed by the United States Government, and provided further, that the non-Federal share of such bridge project is contributed by the commission. The commission is further authorized in the same manner and to the same extent that it can do so for all other toll bridges under its jursidiction and control to fix, charge, and collect fees, rentals, tolls or any other charges on any other bridge within its jurisdiction and control if such bridge has been constructed in part with Federal funds

"(c) The consent of Congress to this compact shall constitute Federal approval of the powers herein vested in the commission and shall also constitute authority to the United States Department of Transportation or any successor agency and the intent of Congress to grant any Federal approvals required hereunder to permit the commission to fix, charge, and collect fees, rentals, tolls, or any other charges on the bridges within its jurisdiction to the extent provided in subsections (a) and (b) and this subsec-

tion and the compact.

"(d) Notwithstanding the above provisions, the commission shall not fix, charge, or collect fees, rentals, tolls, or any other charges on any of the various bridges formerly toll or otherwise over the Delaware River between the State of New Jersey and the Commonwealth of Pennsylvania heretofore acquired by the commission pursuant to the provisions of the Act of the State of New Jersey approved April 1, 1912 (chapter 297), and all supplements and amendments thereto, and the Act of the Commonwealth of Pennsylvania approved May 8, 1919 (Pamphlet Laws 148), and all supplements and amendments thereto.

"(e) At any time that the commission shall be free of all outstanding indebtedness, the State of New Jersey and the Commonwealth of Pennsylvania may, by the enactment of substantially similar acts, require the elimination of all tolls, rates, rents, and other charges on all bridges within the commission's jursidiction and control and, thereafter, all costs and charges in connection with the construction, management, operation, maintenance, and betterment of bridges within the jurisdiction and control of the commission shall be the financial responsibility of the States as provided by law."

• Mr. LAUTENBERG. Mr. President, I rise to submit an amendment which would amend the interstate compact between New Jersey and Pennsylvania which created and governs the activities of the Delaware River Joint Toll Bridge Commission. I am pleased to be joined in introducing this legislation by my colleague from New Jersey, Senator Bradley, and my colleagues from Pennsylvania, Senators Heinz, and Specter.

This amendment will place the Joint Toll Bridge Commission on a solid financial footing, allowing it to fulfill its mandate to operate and maintain bridges which span the Delaware River between New Jersey and Pennsylvania. Currently, the commission

operates and maintains 19 bridges, 6 of which are toll bridges. The remaining 13 are supported by the taxpayers of New Jersey and Pennsylvania. Each year, the legislatures of the two States appropriate approximately \$2.6 million to the commission to assist it in fulfilling its mandate.

The Governors and State legislatures of New Jersey and Pennsylvania are seeking Federal legislation to amend the interstate compact which created the Delaware River Joint Toll Bridge Commission. The intent of this legislation, like bills passed by both State legislatures, is to make the commission self-sustaining and to free the States from appropriating millions of dollars on an annual basis.

Mr. President, the amendment we are submitting will allow for the imposition of a reasonable toll to be placed on the I-78 crossing of the Delaware River now under construction by the States and the Federal Highway Administration. The legislation specifically disallows the imposition of new tolls on existing bridges within the jurisdiction of the Joint Toll Bridge Commission.

This legislation preserves the present review of tolls by Federal agencies. It should be noted that any tolls imposed by the Joint Toll Bridge Commission can be vetoed by the respective Governors who appoint the commissioners.

The Governor of New Jersey has written to me urging introduction of this measure.

Mr. President, a change in an interstate compact such as that which created the Delaware River Joint Toll Bridge Commission requires an act of Congress. As Senators from the States affected, recognizing the consensus within our States for this legislation, we are pleased to initiate the necessary Federal action.

Mr. President, I ask unanimous consent that a letter from New Jersey Governor Thomas H. Kean be printed in the Record.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF NEW JERSEY, Trenton, NJ, May 13, 1986.

Hon. Frank R. Lautenberg, United States Senator, Washington, DC.

DEAR FRANK: The State of New Jersey, in cooperation with the Commonwealth of Pennsylvania, has adopted changes in the Compact on the Delaware River Joint Toll Bridge Commission.

The Compact revision has been under development for nearly four years, has been fully supported by both States, and is of great importance to New Jersey. I urge your full support for the Federal legislation that is being proposed by the Commission and will serve to ratify the Compact changes adopted by New Jersey and Pennsylvania.

If you have any questions or suggestions, please contact staff members in my Washington Office.

Warm regards. Sincerely,

THOMAS H. KEAN, Governor.

• Mr. BRADLEY. Mr. President, today I join with my colleagues from Pennsylvania and New Jersey to introduce legislation of critical importance to the transportation network of New Jersey and Pennsylvania. The Delaware Bridge Commission currently operates and maintains six small toll bridges over the Delaware River north of Trenton. This legislation amends the commission compact to transfer the responsibility for 13 other small bridges over the Delaware River to the commission. It also makes the commission responsible for the non-Federal financial share of the I-78 bridge to be built near Phillipsburg, NJ, and designates that bridge as a toll bridge.

The small bridges affected by the legislation are in poor shape and in danger of being forced to close if improvements are not made. While such closings might not generate great headlines in the national news media, the local impact would be devastating. Towns in Pennsylvania and New Jersey have grown up together on opposite banks of the river. These towns are tied together socially and commercially by the lifeline provided by these small bridges. To sever any part of this lifeline is to undermine the vitality of

these interstate communities.

This legislation permits a local solution to a local problem. The commission has done an excellent job of maintaining the six bridges now under its control. The commission is willing and able to expand its role in the region, and the compact modifications represented in this legislation have the strong support of both State Governors and legislatures.

I urge the Senate to consider this legislation expeditiously and I urge its

approval.

EXPORT-IMPORT BANK ACT **AMENDMENTS**

BYRD (AND OTHERS) AMENDMENT NO. 2215

Mr. BYRD (for himself, Mr. Rocke-FELLER, Mr. FORD, Mr. ARMSTRONG, Mr. GLENN, and Mr. WARNER) proposed an amendment to the bill S. 2247, supra; as follows:

At the appropriate place, insert the following:

PROHIBITION AGAINST CERTAIN TRANSACTIONS

Section 2 of the Export-Import Bank Act of 1945 is amended by adding at the end thereof the following:

"(e) The Bank may not make any loan, any assistance, or any other financial commitment for establishing or expanding production of any commodity for export by any country other than the United States, if-

"(1)(A) the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative, or (B) the resulting production capacity is expected to compete with United States production of the same, similar, or competing commodity; and

(2) the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

Such prohibition shall not apply in any case where, in the judgment of the Board of Directors of the Bank, the short and long term benefits to industry and employment in the United States are likely to outweigh the injury to United States producers of the same, similar, or competing commodity.".

PROXMIRE (AND ARMSTRONG) AMENDMENT NO. 2216

Mr. PROXMIRE (for himself and Mr. Armstrong) proposed an amendment to the bill S. 2247, supra; as fol-

At the appropriate place, insert the following new section:

SEC. 12. PROHIBITION ON AID TO MARXIST-LENINIST COUNTRIES.

Section 2(b)(2) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(2)) is amended-

(1) in subparagraph (A), by striking out "Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961)," and inserting in lieu thereof "Marxist-Leninist country"

(2) in subparagraph (B), by striking out "Communist country (as defined)" and inserting in lieu thereof "Marxist-Leninist country'

(3) by striking out "such Communist" each place such term appears and inserting in lieu thereof such "Marxist-Leninist"; and

(4) by adding at the end thereof the following: "For the purposes of this paragraph, the term 'Marxist-Leninist country' means a country which-

"(i) maintains a centrally planned economy based on the principles of Marxist-Leninism, or

'(ii) is politically, economically, or militarily dependent on the Union of Soviet Socialist Republics or on any other Communist country,

and includes specifically (but is not limited to) the following countries:

Cambodian People's Republic.

"Cooperative Republic of Guyana.

"Czechoslovak Socialist Republic.

"Democratic People's Republic of Korea.

"Democratic Republic of Afghanistan. "Estonia

"German Democratic Republic.

'Hungarian People's Republic.

"Lao People's Democratic Republic.

"Latvia.

"Lithuania.

"Mongolian People's Republic.

"People's Democratic Republic of Yemen.

"People's Republic of Albania.

"People's Republic of Angola. "People's Republic of Benin.

"People's Republic of Bulgaria.

"People's Republic of China.

"People's Republic of the Congo. "People's Republic of Mozambique.

'Polish People's Republic.

'Republic of Cuba.

Republic of Nicaragua.

"Socialist Ethiopia.

"Socialist Federal Republic of Yugoslavia.

"Socialist Republic of Romania.

'Socialist Republic of Vietnam.

"Surinam.

Tibet.

"Union of Soviet Socialist Republics (including its captive constituent republics).'

With the exception of Angola, the President may remove a country from this list if the President determines that the country neither (1) maintains a centrally planned economy base in the principles of Marxism-Leninism nor (2) is politically, economically or militarily dependent on the Union of Soviet Socialist Republics or on any other communist country.

In the case of Angola, in order to remove Angola from such list the President must make the declaration referred to in the pre-

vious sentence, and

The Bank may not guarantee, insure, or extend credit in connection with any export of goods or services to Angola until the President certifies to Congress that no Cuban military personnel or military personnel from any other controlled country, as defined in section 5(b) of the Export Administration Act of 1979, remaining in Angola.

FORD (AND HELMS) AMENDMENT NO. 2217

Mr. FORD (for himself and Mr. HELMS) proposed an amendment to the bill S. 2247, supra; as follows:

On page 13, line 10, after the period, add the following: "Notwithstanding any other provision of law, of the funds appropriated pursuant to this paragraph, 4.3 percent shall be available to the Department of Agriculture to carry out price support programs administered by the Department at the original levels provided for by law.".

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR-301, Russell Senate Office Building, on Thursday, July 24, 1986, at 2 p.m. to conduct a business meet-

On its legislative agenda, the committee will be considering the following items: an original bill to authorize appropriations for the Federal Election Commission for fiscal year 1987; an original bill that would amend section 58a of title 2, United States Code, in order to authorize the Senate Sergeant at Arms to pay for State long distance telephone charges based on the amount of time the service is used: Senate Resolution 429, increasing the limitation on expenditures by the Select Committee on Intelligence for the procurement of consultants; two printing resolutions for the House of Representatives (H. Con. Res. 288 and H. Con. Res. 301); an original resolution to amend rule XXXV of the Standing Rules of the Senate so that the chairman of the Ethics Committee can give notice in the Congressional RECORD of approval of foreign travel by a Member, officer, or employee after the foreign travel has concluded: an original resolution to authorize the purchase of U.S. Capitol Historical Society wall calendars for the use of the Senate; Senate Resolution 438, directing the Senate Committee on Rules and Administration to study the Senate rules and precedents applicable to impeachment trials: Senate Resolution 439, to authorize the reprinting of a Senate document from the 93rd Congress entitled "Procedures and Guidelines for Impeachment Trials in the United States Senate"; and several original resolutions to pay gratuities to survivors of deceased Senate employees.

The following administrative business items are also scheduled to be considered: Additional funds for the pilot project test of legislative information systems and services; the electronic dissemination of legislative branch documents; the continuation of the comments and recommendations on the broadcast coverage of Senate floor proceedings during the test period; and the results of the test period of the Dole proposal for subway service to the Hart Building during

rollcall votes.

For further information concerning this meeting, please contact Carole Blessington of the Rules Committee

staff on extension 40278. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR-301, Rus-Office Building, on sell Senate Wednesday, July 30, 1986, at 9 a.m., to conduct an oversight hearing on the Office of the Sergeant at Arms.

The committee will be receiving testimony from Mr. Ernest E. Garcia, the Sergeant at Arms of the Senate, on the various operations and functions of his office, including the computer center and the service department. Budgets, staffing, personnel practices, and responsiveness to Senate users' needs are topics that will also be addressed.

For further information regarding this hearing, please contact John Rixey of the Rules Committee staff on extension 46351.

Mr. President, I wish to announce that on Tuesday, August 5, 1986, at 9:30 a.m., the Committee on Rules and Administration will meet in SR-301, Russell Senate Office Building, to hold hearings on a number of items currently pending in the committee.

The committee will be receiving testimony on the nomination of Mr. Thomas John Josefiak, of Virginia, to be a member of the Federal Election Commission for a term expiring on April 30, 1991. Representatives from the Library of Congress will speak in support of a reauthorization bill for its American Folklife Center. Finally, officials from the Smithsonian Institution will present testimony in support of Senate Joint Resolution 268 and

269, providing for the reappointments of Murray Gell-Mann and David C. Acheson as citizen regents of the Smithsonian Board of Regents, and will provide information on S. 1311, a bill which would authorize the Smithsonian to plan, design, and construct facilities for the National Air and Space Museum at Dulles Airport.

For further information regarding these hearings, please contact Carole Blessington of the Rules Committee

staff on extension 40278.

ADDITIONAL STATEMENTS

HARLEY-DAVIDSON IS BACK ON THE ROAD AGAIN

• Mr. KASTEN. Mr. President, I rise today to bring a recent article that appeared in Business Week magazine to my colleagues' attention. The story describes Harley-Davidson's successful struggle to regain an active position in the competition of heavyweight motorcycles

Harley-Davidson's comeback best exemplifies the importance of striving for fair ground for American industries. As the sole remaining American producer of motorcycles, Harley-Davidson has faced the all too common problem of competing with less expensive, subsidized Japanese products.

The company experienced many difficulties in maintaining its share of the motorcycle market, which forced them to institute salary freezes, production cutbacks, and losses of jobs totaling 40 percent of its work force. This employee reduction was a devastating blow to Wisconsin with Harley-Davidson is located; 800 employees at its Milwaukee plant lost their jobs. Also, despite the fact that the demand for heavyweight bikes had declined, Japanese made no attempt to reduce production. Instead. they shipped their surplus of bikes to the United States and slashed prices to reduce their inventory, which is turn increased the unfair competition.

Finally, in 1983, after years of troubles which only brought in meager profits, Harley-Davidson turned to President Reagan and the International Trade Commission for assistance in obtaining temporary relief from foreign competition, specifically from the Japanese. The President recognized the problem. This is the only section 201 case where the President fully implemented the ITC's relief recommendations, and it resulted in a success story. As evidenced in this case, sec-

tion 201 will work if used.

Despite the fact that the Japanese have gotten around the tariff on some occasions by assembling some bikes in their American plants, as well as by redesigning some of their engines, Harley-Davidson has gone back in the black and is on sound footing thanks to the temporary relief.

Mr. President, Harley-Davidson's comeback is a shining example of what an American industry can do with the help of the Government in the effort to fight unfair foreign competition in trade. I ask that the article which appeared in the July 21 issue of Business Week be included in the RECORD.

The article follows:

[From Business Weekly, July 21, 1986] HARLEY-DAVIDSON: READY TO HIT THE ROAD AGAIN

Harley-Davidson Inc., the Milwaukeebased maker of big, heavy motorcycles called "hogs" by their fans, was almost wrecked by Japanese imports five years ago. But since Chairman Vaughn I. Beals Jr. and his management team bought the company from AMF Inc. in 1981 with borrowed money, they have scratched and scraped to turn heavy losses into modest profits.

When the stock market took its historic 62-point dive the day before Harley was to go public, it seemed as if the company's hard luck hadn't ended. But Harley and its investment banker. Dean Witter Reynolds Inc., not only went ahead with the offering, they boosted it from 1.43 million common shares to 2 million at \$11 each. They also hiked a debt offering from \$50 million worth of notes to \$70 million. The result: The issues sold out in a day. Shrugs Steven F. Deli of Dean Witter: "We had a strong group of customers lined up."

JUST IN TIME

With the \$87.2 million in net proceeds, Beals will be able to refinance the debt that has hobbled growth and left Harley still vulnerable to the Japanese. That debt-\$25 million in term loans and a \$45 million revolving credit line secured by company assets—is left over from the leveraged buyout of Harley by Beals and 12 other executives. The offering dilutes the stake of management, which sold no shares, to about 54%, from 83%. At \$11 a share, Beals's 16% stake alone is worth \$9.9 million.

Most observers say the management team has earned its keep. After taking over an operation AMF couldn't sell to anyone elseincluding the Japanese-it has worked hard to bury a reputation for poor quality and little innovation. Beals's team adopted such Japanese techniques as "just-in-time" inventory control and quality circles. It slashed Harley's breakeven point to 35,000 units a year from 53,000 and saved \$22 million in inventory costs. The company lost almost \$30 million in its first 18 months of independence from AMF but came back in 1983 with a slim profit of \$973,000 before special cred-

its

A big break came in 1983, when Harley convinced President Reagan and the U.S. International Trade Commission that the Japanese were dumping excess inventory in the U.S. Reagan responded with a special five-year tariff on heavy motorcycles that has diminished gradually each year from 45% and will stop at 10% in the year ending in April, 1988. Harley insists that the Japanese found ways around the tariff-Honda Motor Co. and Kawasaki Heavy Industries Ltd. avoided it by assembling heavy bikes in U.S. plants, for example—but the protection did ease competitive pressure.

Harley was able to post a profit of \$9.9 million, including \$7.3 million in extraordinary credits on revenues of \$287.5 million last year. And despite a general downturn in the heavyweight motorcycle market-wholesale shipments are off 16% so far this yearthe company also regained some of its lost market share.

HELL'S ANGELS

The public financing lets Harley get out of loan covenants that restricted capital spending and specified levels of net worth and working capital. Says Richard F. Teerlink. Harley's chief financial officer: company has been constrained each year since going private in the amount it has wanted to spend." Long-term debt is still high, however, at 80% of total capital.

Teerlink says the new spending flexibility will allow Harley to continue boosting manufacturing efficiencies and cutting costs. Industry experts, however, say Harley should spend more on developing new products. The company has survived over the past few years largely because of dedicated dealers and a die-hard clientele, ranging from the Hell's Angels to the California Highway Patrol. More recently, the strong yen has also helped by forcing Japanese makers to

raise prices

But Harley's flagship twin-cylinder "V" engine is widely termed an antique. And a batch of motorcycles that Beals is developing, the Nova series, has been gathering dust for years while Harley sought \$15 million in additional financing. Teerlink says the company has yet to determine if Nova is to be financed, but it now may be too late. "Nova would have been a big seller four years ago, but the Japanese have come out with so many bikes like it now, it's passe," says Ronald D. Lawson, managing editor of Cycle World magazine.

Harley, however, may surprise the experts. Many are amazed that the company, the last of more than 150 U.S. motorcycle makers, is still around. Says Don J. Brown, president of Hancock-Brown Corp., motor-cycle industry consultants: "A lot of people never thought they'd get this far.".

CAPTIVE NATIONS WEEK

• Mr. ZORINSKY. Mr. President, this is Captive Nations Week, a week when we pay special homage to those men and women of many nations who do not enjoy the independence, liberty, and human rights accorded those in democratic lands. Since 1959, this week has been set aside as a reminder to Americans of repression in Eastern Europe and elsewhere around the

Privileged as we are to live in a democracy, we often take for granted the freedom of speech, thought, and worship that we enjoy. Captive Nations Week reminds us that many others still are struggling to gain access to the freedoms we accept as a given right.

It is important that we express our continuing concern for those struggling to gain these rights. Likewise, it is crucial that they know we are sympathetic to their plight and that we will use our influence in their behalf.

Mr. President, John Kennedy once described the most powerful force in the world as "man's eternal desire to be free." As we observe Captive Nations Week, 1986, it is my hope that this powerful force eventually will pre-

vail and that freedom will someday come to people of all nations.

BUDGET SCOREKEEPING REPORT

• Mr. DOMENICI. Mr. President, I hereby submit to the Senate the Budget Scorekeeping Report for this week, prepared by the Congressional Budget Office in response section 308(B) of the Congressional Budget Act of 1974, as amended. This report also serves as the scorekeeping report for the purposes of section 311 of the Budget Act.

The report follows:

CONGRESSIONAL BUDGET OFFICE,

U.S. CONGRESS

Washington, DC., July 21, 1986. Hon. PETE V. DOMENICI,

Chairman, Committee on the Budget, U.S.

Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1986. The estimated totals of budget authority, outlays, and revenues are compared to the appropriate or recommended levels contained in the most recent budget resolution, S. Con. Res. 32. This report meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32 and is current through July 18, 1986. The report is submitted under 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended.

Since my last report Congress has completed action on the Panama Canal Commission Authorizing Act, H.R. 4409, changing estimated budget authority and outlays.

With best wishes. Sincerely.

RUDOLPH G. PENNER.

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE 99TH CONGRESS, 2ND SESSION AS OF JULY 18, 1986

[Fiscal year 1986, in billions of dollars]

| | Budget authority | Outlays | Revenues | Debt subject to limit |
|---|---------------------|---------|----------|-----------------------------|
| Current level ¹ | 1,053.0 | 980.0 | 778.5 | 2,070.9 |
| 32 | 1,069.7 | 967.6 | 795.7 | 2 2,078.7 |
| Over resolution by Under Resolution by | 16.7 | 12.4 | 17.2 | 7.8 |

¹ The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval. In addition, estimates are included of the direct spending effects for all entitlements or other programs requiring annual appropriations under current level excludes the revenue and direct spending effects of legislation that is in earlier stages of completion, such as reported from a Senate Committee or passed by the Senate. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.
² The current statutory debt limit is \$2,078.7 billion.

FISCAL YEAR 1986 SUPPORTING DETAIL FOR CBO WEEKLY SCOREKEEPING REPORT U.S. SENATE 99TH CONGRESS, 2ND SESSION AS OF JULY 18, 1986

(In millions of dollars)

| Hall the production | Budget authority | Outlays | Revenues |
|--|---------------------------------|---------------------------------|-----------|
| I. Enacted in previous sessions: Revenues Permanent appropriations and | | | . 777,794 |
| trust funds | 723,461 525,778 - 188,561 | 629,772 544,947 - 188,561 | |

FISCAL YEAR 1986 SUPPORTING DETAIL FOR CBO WEEKLY SCOREKEEPING REPORT U.S. SENATE 99TH CONGRESS, 2ND SESSION AS OF JULY 18, 1986-Continued

(In millions of dollars)

| the second | Budget authority | Outlays | Revenues |
|---|---------------------|---------|----------|
| Total enacted in previous ses- sions | 1,060,679 | 986,159 | 777,794 |
| II. Enacted this session: | 100 | No. | |
| Commodity Credit Corporation Urgent Supplemental Appropria- tion, 1986 (Pub. L. 99-243) Federal Employees Benefits Im- | | | |
| provement Act of 1986 (Pub. L 99-251) | | 4 | |
| VA Home Loan Guarantee Amend- ments (Pub. 1, 99–255) | | -51 | |
| Omnibus Budget Reconciliation Act of 1985 (Pub. L. 99- | -4.259 | -6.001 | 765 |
| 272) Department of Agriculture Urgent Supplemental, 1986 (Pub. L. 99–263) | -4,235 | -0,001 | 703 |
| Advance to Hazardous Substance Response Trust Fund (Pub. L. 99-270) | | | |
| FHA and GNMA Credit Commit- ment Assistance Act (Pub. L 99–289 | | -380 | |
| Federal Employees Retirement Act of 1986 (Pub. L. 99–335) | | | -90 |
| Temporary Extension of Certain Housing Programs (Pub. L 99–345) | | -304 | |
| Military Retirement Retorm Act | -25 . | | |
| (Pub. L. 99–348) Urgent Supplemental Appropriations, 1986 (Pub. L. 99–349) | -3,508 | 475 | |
| Total | -7,792 | -6,256 | 675 |
| III. Continuing resolution authority IV. Conference agreements ratified by both Houses: Panama Canal Commis- | | | |
| v. Entitlement authority and other man- datory items requiring further appro- | 18 | 16 | |
| priation action: Compact of free association | 3 | 3 | |
| ees) | 14 100 | 14 | |
| Payment to civil service retire- ment ¹ | (37) | (37) | |
| Total entitlements | 118 | 93 | |
| Total current level as of July | | 000.010 | 270 400 |
| 18, 1986 | 1,053,024 | 980,012 | 778,469 |
| 1986 budget resolution (S. Con. Res. 32) | 1,069,700 | 967,600 | 795,700 |
| Amount remaining: Over budget resolution Under budget resolution | 16,676 | 12,412 | 17,231 |

1 Interfund transactions do not add to budget totals. Note - Numbers may not add due to rounding.

CAPTIVE NATIONS WEEK

• Mr. RIEGLE. Mr. President, yesterday, I was honored to join citizens in Warren, MI, in commemorating the 27th anniversary of Captive Nations Week, All around this country, Americans took time to demonstrate their solidarity with the people of the 31 captive nations which are no longer free and independent.

At the close of World War II, Soviet occupation in Eastern Europe snuffed out freedom in those countries. For the people of the Baltic States, it happened on June 14, 1941, when, during the night, Soviet secret police went from house to house, arresting entire families and herding them into railroad cattle cars bound for Soviet slave labor camps in Siberia. In the end, 50,000 innocent men, women, and children were the victims of extermina-

tion and deportation.

The stories of brutality suffered by the other captive peoples are just as chilling. In Ukraine, there was the manmade famine of 1933, in which 7 million Ukrainians died. In Czechoslovakia, there was the suppression of the Prague Spring in 1968. In Poland, there was the 1981 imposition of martial law and the smothering of the independent trade union solidarity. In Romania, the people continue to suffer under a government with one of the worst human rights records in all of Eastern Europe. In Albania, there is no religious freedom, and in Croatia, the Communist regime has stifled the creativity of the people.

The ongoing suffering endured by the captive peoples is compounded by the fact that the perpetrators of these inhumane acts have never been

brought to justice.

And now, there are new threats to

the homeland.

The Chernobyl incident 3 months ago, transported us into the world of censored news and incomplete information—a world which the people of the captive nations know only too well.

The citizens living in the affected areas did not even know of the radio-active cloud which passed over them, and of the damage it inflicted. In this country, Americans struggled to piece together information from sketchy Soviet newspaper stories, Western radio broadcasts and word of mouth.

For the victims, and for those who care about them in the West, the nightmare is still going on. The casualties, the estimates of future victims, the contamination of land, crops and livestock are piling up. Two hundred fifty thousand children have been evacuated from Kiev. The death toll in the Ukraine has climbed to 28, with over 300 in serious condition—and that number is increasing daily.

The Kremlin's secretive manner of dealing with this crisis is particularly distressing in light of the fact that what will become the world's largest nuclear power station is currently operating the northeast part of Lithua-

nia.

Just as Ukrainians actively fought the construction of the Chernobyl nuclear plant when it was proposed in the 1970's, Lithuanian and Soviet scientists protested the building of the Ignalina plant in Lithuania, because it lacks proper facilities to cool and contain contaminated water from the reactor core. Unless significant new safety precautions are taken, another nuclear disaster, of even greater magnitude than that at the Chernobyl plant, could easily occur.

Chernobyl is only the most recent manifestation of the cloud of darkness under which the captive nations have been living for decades. The Soviet

policy of russification threatens the survival of their cultures, languages and traditions. Repression continues, particularly against those who have a strong national consciousness and dare to express it. Throughout the Soviet system, cruel and inhumane treatment of political prisoners is common, both during interrogation and confinement to labor camps, prisons, or psychiatric hospitals. The ongoing repression of the Catholic Church in the Ukraine, in Romania, in the Baltic States and elsewhere has nearly eliminated every trace of religious freedom in those countries. And Soviet restrictions on travel, communications, and emigration have worsened the already deteriorating human rights situation in the captive nations.

But, instead of dampening the spirit of the captive peoples, the Kremlin's repressive policies have fostered in them an even greater desire for independence. Ignoring the dangers, national and human rights groups

remain active.

This year, in special tribute to the people of the captive nations, who, at great personal risk and sacrifice, continue to pursue civil rights in Eastern Europe, we mark the 11th anniversary of the signing of the Helsinki accords.

In 1975, 33 West and East European states, along with Canada and the United States, signed the Helsinki Final Act which provided for:

First, equal rights and self-determination of people, and guarantees of fundamental freedoms of thought,

conscience, religion, or belief; Second, improving economic, scientific, and environmental cooperation;

and

Third, improving cooperation in humanitarian fields like supporting freer movement of people, ideas an information between signatory states.

Almost immediately after the accords were signed, private groups were organized in the Eastern bloc to monitor Soviet and East European compliance with the provisions of the agreement. The Helsinki Committee in Poland, charter 77 in Czechoslovakia, and monitoring groups in Armenia, Lithuania. Ukraine and Georgia, placed great faith in the Helsinki accords. Many of their members were subsequently punished with harsh prison terms in Siberia and elsewhere, simply for exercising the civil rights guaranteed in the accords. Oleksy Tykhy, Yuri Lytvyn, Vasyl Stus, Reverend Bronius Laurinavicius and others, have paid with their lives for their involvement in the monitoring process in their lives for their involvement in the monitoring process in the Soviet Union.

The Ukrainian Helsinki Monitoring Group, the largest of its kind, provided impetus for human rights activists to demand not only that the Soviet Government uphold the human rights

guaranteed by the Soviet constitution, the Helsinki Final Act, and other international human rights declarations, but also to assert that the Western democracies have a responsibility to support the struggle for achievement of human rights of those living under Soviet domination.

And so we must live up to that obligation by helping the oppressed in

their struggle.

Through a strengthened Voice of America, we must get the truth and vital information across international borders to the captive peoples.

The imminent opening of the United States consulate in the Ukraine will provide a vital pipeline for communication between citizens in the Ukraine

and those in the free world.

We must ensure that human rights remains a central element in our overall policy toward the Soviet Union. The pledge made by signatories to the Helsinki Final Act to "promote and encourage the exercise of human rights and fundamental freedoms" must be more than a hollow promise. The question of human rights must be a key issue in all of our Government's dealings with Soviet officials at all levels and in all forums.

American support for the return of freedom to the captive nations is an important demonstration of our belief in the right of self-determination for all people, in all nations of the world. We must be no less attentive to the plight of the people of the captive nations of Eastern Europe than we are to the plight of the oppressed in South Africa.

Although we do not know when the citizens of the captive nations will again be free to determine their own destinies, history has shown us that, over the centuries, these courageous people have maintained their unity and national identities under successive occupations, only to emerge again as proud, independent nations.

All of us who love freedom and justice must support them in their strug-

gle to do so again.

And so, in once again honoring Captive Nations Week, we reaffirm our conviction that, as long as the struggle from within the captive nations continues, and as long as we who are free remain firm in our support, the light of freedom will continue to burn. Together with the people of the captive nations, we will fight against political oppression and the denial of human rights.

WHAT ABOUT THE OTHERS?

 Mr. KENNEDY. Mr. President, I would like to take this time to place in the RECORD the text of a college graduation speech that was given at the commencement ceremonies of Bowdoin College by Kurt Bentley Mack. As the first of 11 brothers and sisters to graduate from college, this young man represents a spirit and commitment to excellence and hard work that is an example to us all. I am proud to say that Kurt is a constituent of my home State of Massachusetts.

I urge all my colleagues to take a few minutes to read Kurt's speech. It is not often that this distinguished body as a whole has an opportunity to hear from individual graduates and I believe that Kurt's message must be heard by every Member of the Senate. I suggest that we take note of this young man's name for I am sure that we will be hearing from Kurt Mack again in the future.

Mr. President, I commend Kurt's statement to you and I request that the complete text be printed in the RECORD.

The address follows:

BUT WHAT ABOUT THE OTHERS? (Kurt Bentley Mack)

President Greason, Governor Brennen, Members of the College, and Guests . . . I stand before you today, an example of this country's War on Poverty, a beneficiary of America's belief in the importance of the power of education as a social equalizer.

The years following the passage of the Civil Rights Act of 1964 have seen our government advocate and promote policies which have provided economic, educational, and social opportunities for black Americans. Prior to the implementation of these policies black people, in general, were economically marginal and politically impotent. To most Americans they were the invisible people, uninvited to put their dreams into action

The legacy which black children inherited both sustained and worsened the cycle of poverty. Black children reflected the low status of black people in the United States. The obstacles which the black child had to overcome to attain even the most rudimentary education were often insurmountable. Only the few who had fantastic talent or luck were able successfully to pursue goals comparable to those of their white peers.

Through Bowdoin's history there have been many black men and women who have triumphed in the face of racism. Their drive for academic and later professional success has been inspired by the discrimination they experienced. In 1981 a black student who transferred from a black college to Bowdoin saw his Bowdoin experience as valuable because "the doors that would have been closed to us later had been opened for four years." This black student may repre--like so many other collegians-the aspirations of a black community whose children's dreams of education would not have exceeded elementary school.

By way of a historical background we can better understand the great significance and incredible impact which the social policies of both Presidents John F. Kennedy and Lyndon B. Johnson had upon strengthening the weak economic fibers that held the black community together.

During the Kennedy and Johnson years expenditure on the poor—both black and white—doubled. Many poor blacks benefited from the opportunities which this increase allowed. Numerous social programs were designed to rectify the factors which intensified black poverty. The Job Corps and The

Supported Works Project were two programs which prepared blacks for easier acceptance into the American society. The poverty rates dropped during the formative years on the War on Poverty campaign. In 1966, 42% of blacks were living below the poverty line compared to 11% for whites. Seven years later the percentage of blacks living in poverty dropped to a mark of 32%, while the white poverty rate fell to 8%. Yet, one-third of all black Americans were living below subsistence levels.

Coinciding with these economic self-help programs was a dramatic reassessment of the educational policy of our nation. The public school was cited as impeding the educational abilities of black students. Numerous reports and research projects supported and demanded equal and unsegregated education. Many white schools systems promoted the integration of their schools with the assumption that the results would open the same educational opportunities for both black and white students.

I participated in an educational program modeled from such an idea. Since age five, I was voluntarily bussed from my Boston neighborhood to a small affluent town outside the city. I was one of a few hundred black children who escaped the failing Boston Public Schools. My suburban educational experience ignited my intellectual curiosity and ultimately helped to motivate me to seek a college education at Bowdoin. Entering in 1982 I finally didn't have to take a bus to get to school.

So here I am, the first of eleven brothers and sisters to graduate from college. This degree is not mine alone; I share it with my family and community. It is they who made the sacrifices: They marched in the streets, They faced the mace fired at them by the police, and They won the court cases which enabled me to acquire my precious drop of education. Life for my mother 'aint been no crystal staircase'. That truth has stood at the forefront of my mind for all my days at Bowdoin.

Right now I feel in many ways as that Southern black student felt in the thirties. I have gained entry into an environment the great majority of black youth will never enter. Close to 15% of black youth will drop out of high school this school year. Black enrollment in college has decreased significantly in the last ten years. Today less than 10% of students in institutions of higher learning are Afro-American. I am a member of a small fraternity of blacks who have been able to see their dream of a college education become a reality.

The question I pose to all of you, is what has happened to our national will to remedy the problem of poverty in America? Where did all those successful programs go? Why has poverty risen? Why do blacks still make up the largest portion of the impoverished in this country? We Americans are unanimously against poverty, but our moral obligation is not strong enough for us to act politically—why?

Answers to the poverty issue in this nation have yet to be found. There are those who argue the point that social programs which help the poor are too costly, that blacks have been helped enough, and that the issue is one of class and not race. I think these beliefs are wrong. First, social programs will not put an end to poverty, but they are part of the process in solving the problem, and they are necessary for many people's basic human survival. Social programs which are well designed, well targeted, and supported with substantial funds,

are cost effective in the long run because society—all of us—benefits. Second, class and race have and always will be intertwined in this country. It is a heritage of racism which has contributed to keeping blacks in the lower class. The black poverty rate has steadily risen since President Reagan took office. Currently one out of three black individuals living in Reagan's society is hungry, unemployed, and living in substandard housing.

While blacks are making inroads in the economic sector, the black worker still earns less than half of that of his white coworker. Close to one-half of black males are unemployed while black teen unemployment has skyrocketed up to 60% and in some areas close to 90%. Inequality for blacks and whites is increasing. The boundaries separating the worlds are clearly marked, and life for the majority of black people in 1986 is tragically disheartening.

Senator Daniel Patrick Moynihan has said that the difference between the Poor and the Non-Poor person is that the Poor Person has less money. This is still the case today. For the most part President Reagan has given black America two choices: live or die. I chose to live. We are experiencing the most radically anti-black backlash since Woodrow Wilson.

President Reagan has cut every necessary social program in this country in order to build up a trillion dollar national defense. What risk are we Americans taking in sacrificing our socially meaningful programs? Perhaps you feel poverty and racism don't speak to your condition. Well, to claim ignorance or a lack of interest does not eradicate the problem. Poverty is an issue that involves all of us. The majority of poor are not receiving any help at all, the poor are more white than black, and the greatest percentage of the poor do not necessarily live in urban centers, but outside the cities and in the rural areas. We can remedy the dire situation for many innocent people if we begin to look toward the long term success of costly and efficient programs. Solutions to the proverty problem can no longer

We need to design and refine all of our social programs so that they don't benefit the few. For blacks, affirmative action policies have been successful tactics for the upwardly mobile, but we now must look toward the creation of training and selfhelp programs which would prepare and allow black workers to enter more easily into a high-tech service economy. We need to be more generous in the amount given to individuals on Aid to Families with Dependent Children. We need to make inroads into establishing job opportunities or work requirements for welfare recipients. Contrary to popular belief, people on welfare do want to work. An issue which we should address in where our tax priority lies in the U.S. Well spent tax dollars and a social agenda does not stifle incentive, it only uplifts necessary social programs such as health care and education, job opportunities for youth, and improving our public schools to name a few. All of which in the long run benefit our American society.

Remedying proverty is a difficult task, but if all of us—in both the private and public sector—make it our personal responsibility, we can make incredible strides toward solving this life threatening problem. Fellow graduates . . . we are young, intelligent, and have the resources at our hands. I don't give in to those who identify us as 'The Nothing Generation'. Let's come together—

morally and politically—to halt the spread of proverty in this country. Let's create responsible social programs, so that in the future we'll see more beneficiaries and fewer casualties on the War on Poverty.

TWELVE YEARS LATER: TURK-ISH OCCUPATION OF CYPRUS CONTINUES

• Mr. RIEGLE. Mr. President, July 20 marked the 12th anniversary of the Turkish invasion of Cyprus. I rise today to once again condemn the Turkish occupation of that nation and the repression which the Turkish forces brought with them to Cyprus

more than a decade ago.

On July 20, 1974, the military dictatorship in Turkey used political unrest in neighboring Greece as an excuse to annex and divide the island of Cyprus. Since that time, over 2,000 Greek Cypriots have disappeared, and those left in the Turkish occupied lands have had to endure abject economic hardship, political repression, and the extinction of their separate culture. Despite the fact that less than 20 percent of the Cypriot population is ethnically Turkish, the Turks stubbornly hold on to 40 percent of the land. Half of the population of the island, almost 200,000 people, have been forced into perpetual exile by the occupation.

The height of insult to the memory of those exiled and missing was the establishment of the Turkish Republic of Northern Cyprus in 1983 by Turkish Cypriot dictator Rauf Denktash. Only Turkey has recognized this illegal entity. The international community has forcefully condemned this move by refusing to recognize this ille-

gal and provocative act.

Only last month, Turkish Prime Minister Turgut Ozal went so far as to travel to the northern zone during an official state visit. Denktash was so emboldened by this show of support that he sealed off the Green Line between the occupation zone and the Republic of Cyprus. For thousands of Greek Cypriots, the closing of the Green Line cut off the humanitarian contacts with their occupied homeland in the north. With the passage of time, we have seen the walls of partition grow higher, as the injustices inflicted on the Greek Cypriots by their Turkish occupiers increase.

The continued occupation of northern Cyprus by Turkey, the declaration of an independent state, and the moves by Rauf Denktash and other Turkish Cypriot officials to postpone a U.N.-negotiated agreement, are an affront to humanity and the civilized world. No agreement in Cyprus' future is possible as long as the sham government in the north receives support from Turkey, and as long as the Turkish Cyriots obstruct a constructive search for a lasting peace on the

island.

Today, we also deplore the resettlement of the vacated northern territories by Turks from the mainland. The immigration of mainland Turks to the economic chaos of occupied Cyprus is a practice condemned even by the Turkish Cypriots. Turkey's involvement in the illegal resettlement is clear, and we must make the Turkish Government know of our dissatisfaction.

The effect of the forced division of the island is to prevent the peaceful coexistence of Greek and Turkish Cypriots. The present environment breeds hatred, prejudice, and intolerance and makes the continuing efforts of the United Nations and its Secretary General, Peres de Cuellar, all the more difficult.

All too often, with the passage of time, unjustified actions of this kind are accepted by the international community. We must remind the world that the injustices visited by Turkey on the innocent people of Cyprus a dozen years ago will never be accepted

or forgotten.

The United States must use its considerable influence to bring about a solution to this conflict. As a NATO ally, Turkey must be made aware of the substantial costs of its uncooperative attitude toward multilateral negotiations on Cyprus. Pursuit of an accord not only pays tribute to the memory of those who died and to those who continue to suffer from the 12 years of conflict, it is also in keeping with the principles of human rights, justice and international law to which the United States has always been committed.

PUERTO RICAN DAY PARADE

• Mr. LAUTENBERG. Mr. President, I would like to call attention to the 24th annual New Jersey Puerto Rican Day Parade which will take place this Sunday, July 27. This parade caps more than a week of events that testify to the many and varied achievements of the Puerto Rican community of New Jersey. And, it celebrates the 34th anniversary of the establishment of the Commonwealth of Puerto Rico.

Over the past 24 years, this parade has grown from a small local event in Newark, NJ, to one of the most significant Puerto Rican statewide events. It is estimated that this year's parade will attract more than 25,000 onlookers along the parade route of Broad

Street in Newark.

As in the past, the majority of the parade participants will be from the Puerto Rican community. However, many other ethnic groups will be represented as participants and spectators. Diverse ethnic cooperation is what makes New Jersey and our Nation a living witness to the spirit of the Statue of Liberty.

the Statue of Liberty.

The parade will be led by Miss Zoraida Lorenzo of Dover, NJ, who is Miss

Puerto Rico of New Jersey as well as the queen of the festivities. Also participating in the parade will be Mayor Sharpe James of Newark, Mayor Frank Graves of Paterson, and Mayor Anthony Cucci of Jersey City. Many dignitaries from the island of Puerto Rico will round out the guest list of this affair.

Traditionally, this parade is the culmination of a year of activities for its sponsor, the Puerto Rican Statewide Parade of New Jersey, Inc. One of this nonprofit organization's major functions is the granting of numerous scholarships to needy Puerto Rican students throughout our State. Most of the financial resources for the parade and the scholarships are the result of the Miss Puerto Rico of New Jersey pageant.

Mr. President, those responsible for organizing and conducting these cultural events deserve our congratulations. While their names are too numerous to cite, each one knows that their efforts are what made this event

possible.

Once again, my sincerest congratulations to my many friends in the New Jersey Puerto Rican community during their days of celebration.

EDWARD L. BLUE: A TRUE PUBLIC SERVANT

• Mr. CHAFEE. Mr. President, I rise today to pay tribute to Edward L. Blue, former chief of the Rhode Island Banking Division, upon his retirement after 32 years of service to the State of Rhode Island.

Ed Blue's illustrious career in State banking began in 1954, when he became an accountant with the Bureau of Auditors. In 1962, Ed joined the banking division as a senior banking examiner. He was promoted to chief banking examiner in 1968; and was then named to head the banking division in 1981. Throughout his career, Ed distinguished himself by tackling each new assignment with integrity, enthusiasm, and professionalism, qualities which became his hallmarks.

In addition to his outstanding service to the State of Rhode Island in banking posts, Ed Blue has brought his dedication and drive to numerous community projects. He has served on the board of directors of the United Way, the Urban League, and the Opportunities Industrialization Center of Rhode Island.

On May 22, 1986, a testimonial dinner was held in Cranston, RI, to honor Ed for his innumerable personal and professional accomplishments. Today, I join his many friends and colleagues in saluting Ed Blue and in wishing him good health and happiness in the years to come.

THE "AFGHANISTAN TODAY" PHOTO EXHIBIT

• Mr. HUMPHREY. Mr. President, in October 1984, the Soviet Ambassador to Pakistan gave two French journalists this blunt warning: "I warn you and through you, all your journalist colleagues, stop trying to penetrate Afghanistan with the so-called guerrillas. From now on, the bandits and socalled journalists accompanying them will be killed." Despite the enormous risk, a few Western journalists have courageously traveled inside Afghanistan to document the suffering of the Afghans. This week we are fortunate to have on display in the Rotunda of the Russell Building an excellent exhibit of work by a few Western photographers.

This display, entitled "Afghanistan Today," poignantly illustrates the brave struggle of the Afghans. The statistics of the suffering in Afghanistan are well known: Over 1 million casualties; the largest refugee population in the world; widespread violations of human rights; rampant disease and famine. This exhibit, however, reinforces the fact that behind these cold statistics are human beings whose lives have been shattered by over 6 years of continued bloodshed. The exhibit introduces us to the side of the war that we do not see every day on the nightly news. We see the children who have lost limbs and eyes to bombs disguised as toys. We see doctors performing delicate operations in makeshift hospitals, villages gutted by the continued strafing of helicopters, and convoys of unarmed civilians uprooted by the violence. photos clearly document an entire nation transformed into a battlefield.

Mr. President, the story of "Afghanistan Today" cannot be told often enough. It is a shocking story because as each day passes, the suffering intensifies and the casualties increase. Last month, the leaders of the Afghan resistance alliance traveled to Washington to give U.S. Government officials firsthand reports on the war in Afghanistan. Prof. Burhanuddin Rabbani, spokesman for the alliance, personally told President Reagan, Soviets have turned our country into a bloodbath, but they will never break the will of our people." I had the opportunity to meet Dr. Rabbani and the delegation on several occasions during their visit to Washington, as did many of our colleagues. We were all moved by their determination to continue the struggle regardless of the sacrifices.

The photographs on display in the Russell Rotunda tell the Afghan story better than any words. I sincerely hope that everyone will take a few moments this week to stop by the Russell Rotunda to view this important exhib-

MEMORIAL TO FRANCIS SCOTT

• Mr. D'AMATO. Mr. President, on September 14, 1814, as the morning dawned on Fort McHenry on Chesapeake Bay, Francis Scott Key was being held captive aboard a British frigate for fear that he would have alerted Americans on shore of their impending doom prior to the engagement. From that ship, Key had witnessed a night of violence and assault as British guns fired pointblank on the Americans.

But that morning, when the sun illuminated the battered shoreline, he saw a wonderous sight: The American flag was still waving in the breeze. His emotions swelled as he realized that the American flag was, and is still, there for all to see.

His emotions, set down on paper, were brought to the attention of a Baltimore printer the very day after the poem was written who ran it off on handbills, entitled, "Defense of Fort McHenry." The name was later changed to "The Star Spangled Banner" and, on March 3, 1933, the Senate agreed to a measure designating the "Star Spangled Banner" as our national anthem. It was signed into law the same day by President Herbert

Mr. President, I recount the story of how it was that Francis Scott Key came to write our national anthem because it is important that this legacy be preserved for all time. This story has been retold for 172 years, but to ensure that it is never forgotten, it is only fitting that a memorial be constructed in Key's honor.

Legislation, S. 2370, introduced by my good friend and colleague, Senator Murkowski, would authorize the construction of a memorial in honor of Francis Scott Key in the Nation's Capital. This would be accomplished through the Francis Scott Key Foundation, at no expense to the taxpayers.

The Francis Scott Key Foundation was established in 1983 to build a park in honor of the father of our Nation's anthem. The foundation has already received donations from individuals, corporations, and other foundations in excess of \$130,000. S. 2370 will authorize the construction of this long overdue memorial.

It is my understanding that the National Capital Memorial Advisory Committee of the Interior Department has given full support to this project. I urge my colleagues to do the same. Swift and favorable consideration of this measure would reflect our united affirmation, not only of our respect and admiration of Francis Scott Key, but also of the beliefs and tenents of basic human rights and individual freedoms upon which this great Nation is based.

MAY I PLACE A ROSE OVER THERE?

. Mr. BUMPERS. Mr. President, this is an age in which there is a revitalization of the American spirit, a new confidence in our ability and integrity as a nation. This is especially true among our youth, the lifeblood of our blessed Nation's future. To survive and prosper as a nation, we must continually ensure that the values that we hold dear are taught and appreciated by our children. It is important that they know the sacrifice of their predecessors in the pursuit of these values. Our children should know that many men and women have given their lives in defense of liberty and justice in a democratic order.

Oliver Cox, an attorney in Corning, AR, has written a short, touching story which appeared in the New Age, a Freemasonry publication, on this very subject. I was moved by this story, and I believe my colleagues will be as well. Hence, I ask that the article as it appeared in the New Age appear in the Record.

The article follows:

[From the New Age, May 1986] May I Place a Rose Over There? (By Oliver E. Cox. 32°)

The small girl was holding her father's hand as they walked over the well-kept grounds. There was a quiet aura of solemnity, dignity and peace. You could feel its presence just like you could feel the balmy breeze that wafted across the wandering path of their journey.

They were among white crosses that cov-

They were among white crosses that covered the entire area. The regimen of their rows was overshadowed with a sense of reverence that shrouded the hallowed ground upon which they walked. The girl asked: "What are all of these crosses for?"

Her father replied: "They are markers for the graves of soldiers who served our Country."

try."
"Is that why we're going to see where my uncle is at?" she said.

"That's one of the reasons," her father replied.

"Why are the crosses white?" she asked.
"They symbolize the purity of their sacri-

fice," he replied.
"What do you mean by sacrifice?" she asked.

"That means we have a Country where everyone can have life, liberty, peace, own property and try to acquire and enjoy good health and a good state of mind. It means you can travel all over our land; associate with individuals, groups, civic clubs, fraternal orders, varied churches and schools—without interference—for your own wellbeing and to promote a better world. The sacrifice was made to protect those things which are valuable to us and not enjoyed by all peoples of the world. Sometimes that sacrifice involves giving up your life to protect and preserve those things for others that you care about, like yourself," he told her.

"Why do some of the markers not have a name on them?" she asked.

He replied: "They don't know who they are. They are some of our unknown heroes, who gave their lives in order that we could continue to live in our great Country, with all of its privileges and rights as a citizen."

They approached a particular marker and he said: "This is where my brother, your uncle, is buried."

As he placed a spray of roses on the grave. his daughter looked at him and softly said: 'May I place a rose over there, on one of those markers without a name?"

Of course, my dear, I'm glad that you care enough to make that gesture of tribute. A lot of us often forget what our Country is all about and what is takes to keep it that

way," he said.

As they walked back to their car on the parking lot, there was a soft exchange of expression on their faces when they looked at each other and a stronger grip in their hands, because a meaningful message of understanding had occurred between them on their visit to a United States National Ceme-

DEATH OF RODRIGO ROJAS

 Mr. KERRY. Mr. President, like many Americans I was deeply shocked the brutal murder of Rodrigo Rojas, an American resident, in Santiago, Chile, on July 2. The fact that Mr. Rojas was a resident of Washington, DC, and a student at Woodrow Wilson High School here, only adds to our sense of outrage.

The manner of death of Mr. Rojas was particularly horrific. By all accounts, he and his companion, Carmen Quintana, were badly beaten by Chilean soldiers, and their bodies were then sprayed with an inflammable liquid and set on fire. To make matters worse, Chilean authorities refused to allow Rodrigo Rojas to be treated at a burn unit at the Hospital del Trabajador in Santiago, where his life might have been saved. Rodrigo Rojas died of severe burns, and Ms. Quintana is still in grave condition.

Ariel Dorfman, himself a Chilean exile and a friend of Mr. Rojas, has written a moving account of this tragic event in the current issue of the Village Voice. His article is entitled "A Death in Chile-The Burning of Rodrigo Rojas". I ask that this article be printed in the RECORD following my statement. As Mr. Dorfman states, in concluding his article, "To remain in power, General Pinochet will have to burn the whole country down.

Several months ago, my guished colleague from Massachusetts, Senator Kennedy, traveled to Chile. At great risk to his own personal safety, he braved crowds of demonstrators organized by the Pinochet regime, in order to express his solidarity with those in Chile who are struggling to bring democracy to that country. Senator Kennedy's visit to Chile was an act of courage. But there are others who have traveled to Chile more recently to act as defenders of the Pinochet regime, and apologists for the murderers of Rodrigo Rojas. Those actions are reprehensible. They can only be condemned by all of us who care about democracy, and who

value human dignity, both in Chile and in the United States.

I have joined with a number of my colleagues in the Senate in sending a letter to the Minister of the Interior in Chile, expressing our outrage over the brutal slaying of Rodrigo Rojas, and urgently requesting that the Government of Chile conduct a full and impartial investigation into this case. I have also joined in a Senate resolution condemning the Government of Chile for the death of Rodrigo Rojas.

While I welcome the news that the Government of Chile has arrested a number of its own soldiers in connection with this incident, I am mindful that this action only came about as a result of international attention fo-

cused on this case.

Because Rodrigo Rojas was an merican resident, this case has American resident, caused a special abhorrence and revulsion in this country. But the reality is that there are many cases like that of Rodrigo Rojas occurring on a daily basis in Chile. We must condemn all of them. And we must make the death of Rodrigo Rojas an occasion for renewed efforts to bring an end to the dictatorship in Chile.

General Pinochet has recently expressed his intention to remain in power until 1997. If we in this country are apathetic, he may succeed in that effort. But if we truly care about democracy, then we can help bring about peaceful change in Chile, and a return to democracy. As a first step in that process, the time has come to consider cutting off all U.S. loans to Chile, until they improve their human rights record, and begin to move toward de-

Earlier this year, I visited the Philippines as a member of the congressional observer team during the elections there. I witnessed an inspiring and historic example of the democratic process at work. With our support, the same process that took place in the Philippines can be repeated in Chile. Let us ally ourselves in Chile with the forces of democracy, and against the forces of repression. If we do, then Rodrigo Rojas will not have died in vain.

The article follows:

A DEATH IN CHILE: THE BURNING OF RODRIGO ROJAS

(By Ariel Dorfman)

When Chilean radio announced early in the afternoon of July 2 that a couple of kids had been found that morning burned half to death in Quilicura, a small town on the northern fringe of Santiago, I did not immediately register their names. Horror has become almost normal in Chile. Chileans like myself hear somebody has died from police brutality, or been arrested, or been wounded, and we add one more name to the endless list in our heads-paying attention because we wonder if we know the person, trying not to pay attention because we don't have room inside for another death or pang of pain. Three people had already been killed by soldiers just that morning—one of them a 13-year-old girl who had gone to the corner to buy bread. Along with the indignation, you are swamped by the impotence.

At home that day in Santiago, the name simply did not ring a bell: I heard the news, thought to myself; a new technique in terror, now they're burning adolescents, and went back to sorting out some papers I needed for my return trip to the U.S. This is how you live under a dictator-so much life is being extinguished around you that, unless the madness touches you directly, you have to find a way of blotting it out, of building enough insulation to carry out the small and yet so significant acts of buying milk or planting a flower or getting your child from school.

But it is not easy to make believe life is normal when you inhabit a land where the government is at war with you and every other civilian. A few hours later someone called and informed me that one of the victims was a friend, Rodrigo Rojas De Negri, the 19-year-old son of Veronica De Negri, who was an exile, like myself, in Washing-ton, D.C. Sixty-two percent of his body was burnt and the doctors hardly gave him a

chance to survive.

Rodrigo had just come back after nine years of exile. His mother had been forced to abandon the country in 1977, having been kept for months in a detention center where she was savagely tortured and raped by the secret police. In spite of that experience, she wanted to return to Chile. I can remember, in April or perhaps May of 1983, going with her and another exile, Sergio Bitar, a former minister of Salvador Allende, to the Chilean Chancery on Massachusetts Avenue in D.C. to hand the ambassador a letter to the head of the Chilean Supreme Court asking him to pressure the government to allow us to return. We were accompanied by Isabel Letelier, whose husband Orlando, a former ambassador to the U.S. and Allende's defense minister, had been assassinated by a Chilean death squad not five blocks from where we were sitting. She had just been given permission to go back.

When we told the ambassador, Enrique Valenzuela Blanquier, that Isabel would be traveling to Chile soon and we were worried about her safety, he became furious: "What is there to work about? What could possibly

happen to any of you in Chile?'

I was allowed to return to Chile in September of that year, Sergio Bitar a few months later, but Veronica's permission never came-for reasons that still remain mysterious. Presumably her sin was to work with Amnesty International in campaigns against torture. Rodrigo waited restlessly for the government to let his mother go home. A troubled, gentle, bright kid, he had begun to carve a place for himself as a computer wiz and a budding photographer-in fact, he went back to Chile to take pictures.

But above all, Rodrigo hoped to find, in the labyrinth that was his country, some clue to his own identity. It was a rite of passage: he could not leave his childhood behind until he had discovered the reasons for the suffering of that fatherless boy he had been: why such punishment had been brought upon him and his family, what he shared with those faraway people who were ready to die for their beliefs. Until he found out where he'd come from, how could he know where he was going? Was he American? Was he Chilean? Was he both?

He was never given the chance to find out. Santiago is surrounded by slums and shantytowns—areas that have been repeatedly invaded by soldiers on search and arrest missions—breaking into houses, teargassing churches, detaining all males between the ages of 12 and 65. To show their solidarity, university students organize soup kitchens, and Rodrigo had gone to one in the barrio of General Velasquez on the evening of July 1 to take pictures. When his Aunt Amanda told him not to stay over for the night he answered that there seemed to be no danger. He had said something similar to me just a few days before, the last time I had seen him, when he came on a brief visit to our home in Santiago. "I'm fine," he said. "What could happen to me?"

Was it his youth that made him so unapprehensive or was there an American ingredient to it: a nonchalant innocence and imperviousness to danger that Chilean adolescents no longer can allow themselves? Because to be young in Chile is a crime. It is miraculous that the kids who grew up under Pinochet should be so transparent and fearless as they fight the police and troops in the streets. The regime has answered by escalating the savagery. Youngsters forced to stamp out flaming barricades with their bare feet, girls whose breasts are marked with knives, thousands of arrests and beatings. tanks erupting onto university grounds, soldiers shooting into crowds of adolescents-anything to spread fear. But the soldiers had not yet burnt someone

The next day was the first of two days of national strike. Since the bus drivers were also protesting, the only way of leaving the slum that morning was on foot. According to numerous evewitnesses who have come foreward, some of whose statements I heard on tape before I left, Rodrigo was walking, two cameras hanging from his neck, with some friends, when a blue pickup truck full of soldiers, their faces painted over with camouflage grease, roared into view. The soldiers were shooting, and the kids dis-persed. When 18-year-old Carmen Quintana stumbled. Rodrigo went back to help her. More soldirs descended from a second truck. They began to beat the two kids until they were half-conscious and then sprayed them with an inflammable liquid. Then they set them on fire.

The soldiers wrapped both kids in a blanket and went to dump them four miles away on the other side of Santiago. Rodrigo and Carmen managed to crawl out of the ditch and, with their charred flesh falling from their bodies, they began to walk. Workmen on the government's Minimum Employment Plan—\$25 a month for beautifying highways—saw and heard them, but were too scared to come to their aid. Don't intervene, the government keeps on pounding into people—"no te metas." Mind your own business.

When horror strikes, the only salvation for a survivor is to become active—otherwise anguish and guilt will twist the soul. I was fortunate—I could turn the rage and the sorrow into usefulness. With Sergio Bitar, and some other friends who knew Rodrigo, we set about two tasks. The first, thanks to the Catholic Church and the U.S. Embassy, we accomplished—getting Veronica permission to return. Her eldest son had to be burnt alive before Pinochet would allow her even a temporary visit to the land where she had been born. The second task, however, turned out to be impossible—we tried, and failed, to get Rodrigo moved to a better hospital.

The Posta Central, an emergency ward in Santiago, used to be the best place to be for an accident victim—in the days when money

was spent in Chile on public health and not for raising military salaries. Now, like all of Chile's health system, like everything public that has fallen under the Milton Friedmaninspired axe, it is in shambles. The burn unit at the Posta has excellent doctors but no resources. There were no diapers for burn patients, no protein, not even a test tube for a blood test. When Rodrigo needed a respirator he had to be carried on a stretcher up three flights of stairs to another room.

The Hospital del Trabajador, on the other hand, a private institution for insured workers, has one of the best burn facilities in Latin America. To get Rodrigo admitted, Bitar finally came up with the name of the president of the hospital's board of directors, Eugenio Heiremans, and entrepreneur and philanthropist. A few hours passed before Harry Barnes, Jr., the U.S. ambassador to Chile, managed to find Heiremans and receive his cautious approval.

It took an eternity to sort things out. To give an example: Heiremans relayed to the ambassador, who relayed to an embassy representative, who relayed to me the suggestion that Rodrigo's Aunt Amanda, his nearest relative, ask a doctor friend to tell the hospital's director that Heiremans had agreed to Rodrigo's being admitted—if there was available space. Each of the actors had to be convinced and coordinated by an intricate network of phone calls.

By nine or 10 o'clock that evening we had gotten all the hospital arrangements ironed out—but when Amanda went to transfer Rodrigo, she was informed by a police officer that the boy was under arrest and could not be moved. We started all over again—first trying to find out if it were true, then getting someone to countermand the order.

It was the worst night of the year for good Samaritans. I was calling and feverishly writing down names by candlelight; Santiago was blacked out by bombings of the electrical lines, whether by left-wing guerrillas or governmental agents, it is hard to say. The sound in the neighborhood was deafening. People were banging pots and pans, kicking trash cans, blowing whistles to indicate their protest-and nearby I could hear machine-gun fire as soldiers invaded a shantytown, flares and bombs exploding in the air, the flicker of hundreds of barricades in the horizon, the streets lit up with the candles to commemorate the dead. With the devoted help of a U.S. embassy representative. who has asked to remain anonymous, we struggled for many hours to save Rodrigo's life. The precint which supposedly had him under arrest did not answer the phone. Finally, the embassy representative was able to speak to the duty officer of the Interior Ministry, Denis Bickes, who informed her, after lengthy consultations with somebody or other, that the boy who was not under arrest. But Bickes never let the police know this fact. Was it deliberate? The best that can be said for the man is that he was callous and negligent. As the military had al-ready issued a statement denying its involvement-and would later claim that Rodrigo had set himself on fire-he may have thought it was none of his business.

The embassy representative kept on trying—several calls to high-ranking police generals were to no avail. I weighed whether to go myself to the Posta to see if I could straighten things out. The streets were strewn with spikes and barricades, bullets were being fired randomly by rampaging troops, identity papers were being checked

at every corner. I already had dozens of friends jailed that very day for having defied the police, going to sing the National Anthem at Santiago's Central Plaza. Fear in Chile is not something that happens to you once in awhile—it is a permanent state of mind. I was scared, I was needed to man the telephones, I was leaving for the U.S. in 36 hours: I stayed home. By two o'clock in the morning—Santiago was under curfew—Amanda couldn't even venture into the street, nobody answered phone calls. We had run out of things to do.

Finally, I wearily told the embassy representative to get some sleep. "What if these hours are the hours when we could save him?" she asked me. An American, she couldn't believe we were still unable to get the boy moved. A Chilean, I could believe it all to well.

The next morning, the police officially said the boy was not under arrest. But by then the transfer had turned into an infinitely complex, red-tape affair, fraught with medical and bureaucratic rivalries. One doctor said he should be removed, another doctor said it was dangerous; the director of the hospital was at odds with the head of the burn unit; the director of the Posta agreed with the director of the hospital; the director of the hospital declared that Rodrigo's aunt didn't want him transferred; she had to go and tell him personally that she did; and so on and so forth, for hours and hours, while Rodrigo slowly died.

The next afternoon we were flying out of Santiago-and as the plane left Chile, after a seven-month period in which we had finally settled down in our own land. I thought of Veronica who had just arrived back home that morning. The one promise exiles make to each other, obsessively, is that they will meet and hug someday in their native land. Instead of that joyful homecoming, she was at that very moment stroking the soles of the feet of her boy, stroking the only unscorched part of him, to communicate to him that they were both back, that she had finally breathed the air of her own country, that all misunderstanding between them were a thing of the past, a reconciliation through touch because she was too moved to speak and he was too burnt to answer.

Two days later we arrived at the house of Isabel Letelier in Washington. It was enough to see the look on her face to know that Rodrigo had just died in Santiago.

He was, of course, still at the Posta Central. The next day Carmen Quintana, still struggling for her life, was transferred to the Hospital Trabajador.

General Pinochet is no stranger to fire. He inaugurated his reign of terror with an act of fire 13 years ago when he overthrew Chile's constitutional government: bombing of La Moneda, Chile's Presidential Palace. That building, occupied for most of its history by freely elected authorities, was the symbol of a society that functioned, for the most part, without fear-I can remember having gone through the palace many times, often to simply enjoy its inner flowered patios, at times to use it as a shortcut when I was in a hurry. To see La Moneda go up in flames on September 11, 1973, was like watching a preview of what would happen to anyone who dared resist the military

Thirteen years later, that fire, which had grown and enveloped so many victims since then, reached the body of Rodrigo Rojas. I doubt that the soldiers who burnt him were searching for him in particular. But that does not mean there was anything accidental about his death. His body was young and

it was available—and its burning is implacably logical in a land where the government treats teenagers as if they were the enemy.

Did some general give a casual order to burn a couple of kids so that parents would keep their young from participating in the strike that day? Or was there an even more subtle message?

Just three days before Rodrigo and Carmen were burnt, I had visited the barrio where they were assaulted A Catholic priest by the name of José Aldunate lives there. He is the founder of the Movimiento Contra la Tortura Sebastián Acevedo. A few years back Sebastián Acevedo burned himself alive, bonze-style, in Concepción, Chile's third largest city, in order to force the secret police to free his son and daughter who were being tortured. A group of advocates of non-violence later founded a movement under his name, staging protests which have driven the police crazy: arms locked together, praying or singing, they await the water cannon, the tear gas, the nightsticks. Is my mind sick-or is it too much of a coincidence that two teenagers were torched a few blocks from the house of José Aldunate? Was this a way of saying to him and the other protesters: You want to end up like Sebastián Acevedo? You want to play with fire?

Even if that scenario is not true, the burning of Rodrigo Rojas was no mere aberra-

tion.

As opposition to General Pinochet mounts, he has no alternative but to esca-

late his terror—or be overthrown.

His tactic thus far has been successful. Millions of Chileans are extremely discontented but basically still bystanders. There are, however, many thousands of dissidents who have not been intimidated and will not back down.

To remain in power, General Pinochet will have to burn the whole country down.

□ 1925

ORDERS FOR TUESDAY, JULY 22, 1986

Mr. HEINZ. Mr. President, I ask unanimous consent that once the Senate completes its business today, it stand in recess until the hour of 9:30 a.m., Tuesday, July 22, 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. HEINZ. Mr. President, following the recognition of the two leaders under the standing order, I ask unanimous consent that there be special orders in favor of the following Senators for not to exceed 5 minutes each: Senator Hawkins, Senator Proxmire, and Senator Melcher.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. HEINZ. Mr. President, following the special orders just identified, I ask unanimous consent that there be a period for the transaction of routine morning business, not to extend beyond the hour of 10 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERIOD FOR EULOGIZING SENATOR JOHN P. EAST

Mr. HEINZ. Mr. President, at 10 a.m., under the previous unanimous-consent agreement, 2 hours are set aside for Senators to eulogize the late Senator John P. East.

RECESS FROM 12 NOON UNTIL 2 P.M.

Mr. HEINZ. Mr. President, at 12 noon, I ask unanimous consent that the Senate stand in recess until 2 p.m. in order for the weekly party caucuses to meet.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESUME CONSIDERATION OF S. 2247

Mr. HEINZ. Mr. President, at 2 p.m., it will be the majority leader's intention to resume consideration of S. 2247, the Export-Import Bank bill.

Also, the Senate could turn to S. 2507, the housing bill, if time permits. Mr. President, votes are expected on Tuesday but will not occur prior to the hour of 5 p.m.

RECESS UNTIL TOMORROW AT 9:30 A.M.

Mr. HEINZ. Mr. President, I move in accordance with the previous order, and pursuant to the provisions of Senate Resolution 449, as a further mark of respect to the memory of the deceased Honorable George M. O'Brien, late a Representative of the State of Illinois, that the Senate stand in recess until 9:30 a.m., Tuesday, July 22, 1986.

The motion was agreed to, and the Senate, at 7:26 p.m., recessed until Tuesday, July 22, 1986, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate July 18, 1986, under authority of the order of the Senate of January 3, 1985:

DEPARTMENT OF STATE

Carol Boyd Hallett, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Commonwealth of The Bahamas.

Julian Martin Niemczyk, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Czechoslovak Socialist Republic.

John Hubert Kelly, of Georgia, a career member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Lebanon.

Princeton Nathan Lyman, of Maryland, a career member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federal Republic of Nigeria.

U.S. Information Agency

Richard W. Carlson, of California, to be an Associate Director of the U.S. Information Agency, vice Ernest Eugene Pell.

NATIONAL LABOR RELATIONS BOARD

Mary Cracraft, of Kansas, to be a Member of the National Labor Relations Board for the remainder of the term expiring August 27 1986, vice Patricia Diaz Dennis, resigned.

Mary Cracraft, of Kansas, to be a Member of the National Labor Relations Board for the term of 5 years expiring August 27, 1991. (Reappointment.)

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Emmett H. Walker, Jr., xxx-xx-xx... (age 62), Army National Guard of the United States.

The following-named officer under the provisions of title 10, United States Code, section 3015, for appointment as chief, National Guard Bureau, and further under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Herbert R. Temple, Jr., xxxxx... xxxx... Army National Guard of the United States.

IN THE ARMY

The following-named officers for permanent promotion in the U.S. Army, and appointment into the Regular Army as appropriate, in accordance with the appropriate provisions of title 10, United States Code:

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IN THE NAVY

The following-named chief warrant officer, W-2 of the Navy for promotion to the permanent grade of chief warrant officer, W-3, as indicated, pursuant to title 10, United States Code, sections 628 and 555, subject to qualifications therefor as provided by law:

Maryus O. Saunders

CONFIRMATION

Executive nomination confirmed by the Senate July 21, 1986:

DEPARTMENT OF COMMERCE

Robert Ortner, of New Jersey, to be Under Secretary of Commerce for Economic Affairs.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

UNITED STATES RELATIONS WITH CHINA

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1986

Mr. SOLARZ. Mr. Speaker, 15 years ago last week, President Richard Nixon opened the door to the People's Republic of China. Since that time, the United States-China relationship has developed in political, economic, and geopolitical significance. Because of our ties with China, Asia is a safer place.

One of the individuals who was "present at the creation" of the United States-China relationship is Winston Lord, who served as a special assistant to Dr. Henry Kissinger. Mr. Lord is now our ambassador to China, and he recently gave a speech on the topic "Sino-American Relations: No Time for Complacency." His talk is a comprehensive assessment of this important foreign-policy relationship, one well worth the attention of our colleagues. NINO-AMERICAN RELATIONS: No TIME FOR

COMPLACENCY—SPEECH TO THE NATIONAL COUNCIL ON UNITED STATES-CHINA TRADE, MAY 28, 1986

I. INTRODUCTION

Kipling argued that between East and West the twain shall never meet. But—as his ballad itself depicts—they do meet sometimes when people with courage seize fate. Fifteen years ago I was privileged to be present at the creation, when far-sighted leaders in Beijing and Washington began opening doors and tearing down walls, indeed even walking on them. As one who has worked ever since for better relations I can speak with the candor of commitment.

We have made great strides since that opening. But I come here today not so much to celebrate achievement as to censure complacency. Success is a process, not a fixed condition. Many problems remain. Many opportunities beckon. And just as bad relations—indeed no relations—were not immutable in the past, so good relations are not inevitable in the future.

My basic message is this: Let us—China and America—use this relatively quite phase of sound relations not to cheer ourselves on what we have done, but to chart a course on where we should go.

I will first address the bilateral dimension, the gains and the pains. Then the international context, the sweet and the sour. In both areas I will suggest what each country can do to strengthen our bounds.

II. THE BILATERAL RELATIONSHIP

Whereas geopolitics brought us together in the 1970s, economics is now a major force driving us forward. The growth of our bilateral links is one of the astounding success stories in international relations. But this very progress has spawned new problems, even as it holds out vast potential.

This is hardly surprising. Time and space divide us. We have totally different histories and cultures. For a generation we peered

across an ocean of antagonism. There are sharp contrasts in our politics, societies and values. China is gradually shedding a long period of estrangement from Western countries. We are still learning about the real China, trying to steer between our historical poles of romance and hostility.

Since China emerged from the holocaust of the Cultural Revolution, its national preoccupation has been modernization. Under Chairman Deng Xiaoping the Chinese have opened up to the rest of the world, and have unleashed a titanic wave of change.

They have successfully boosted agricultural production. China now feeds its one billion people, with some left over for export.

They have restructured their economy to lift living standards even as they tackle severe bottlenecks in transportation and communications and shortfalls in energy and management.

They have created Special Economic and Development Zones along the Chinese coast to drive economic development and relay foreign technology to the less developed interior.

They have begun enacting legislation to provide a framework for foreign trade investment.

They have taken a more active role in global economic institutions, including the IMF, the World Bank and the Asian Development Bank, and they eye the GATT.

Finally, and most ambitiously, they have embarked on an unprecedented course in urban reform. The goal effectively is to transform the industrial system which China modeled on the Soviet Union in the 1950's. They seek to replace it with one more flexible, more responsive to the market, more efficient in production and distribution—although, as they say, basically socialist in character.

China's new direction is one of the boldest domestic ventures in modern history. No wonder serious problems arise. It has not been clear sailing since 1978. Last year initial moves to abandon the cumbersome, irrational system of regulated prices helped fuel the highest rate of inflation in 30 years. Decentralization spurred excessive growth in the supply of money and credit.

There were massive outflows of hard currency in late 1984 and early 1985, as lower level organizations stocked up on consumer goods, mostly from Japan. Grain production dipped, due to bad weather and incentives to grow other crops.

Concern has mounted over what the Chinese call "unhealthy tendencies," and what we would describe as conflicts of interest and white collar crime.

As a result, the Chinese are consolidating. They are slowing urban reforms, holding down prices, conserving foreign exchange, lifting grain production, and fighting corruption. The leaders stress that the reforms and the openings are irreversible, that the momentum will resume in 1987.

Where does the United States fit into China's modernization? Here again, the progress has been remarkable. Fifteen years ago trade was negligible. There was no investment. No science and technology cooperation. No military ties. No students or teachers at each other's universities. No tourism. No cultural relations. In short, the two societies had been sealed off from each other for over twenty years. Indeed, China had been isolated from most of the globe.

Contrast that landsacape with today. Our bilateral trade exceeded eight billion dollars in 1985, up 25 percent in one year. American business has invested roughly 1.4 billion dollars in China, second only to Hong Kong. About 250 US companies now have offices in China. We have the largest bilateral science and technology exchange program in the world—two weeks ago we signed our twenty-seventh protocol. Our military relations are being pursued on three fronts—high-level visits, working-level exchanges, and limited defensive arms sales.

In a historic development, American campuses have become home to over 15,000 Chinese students, almost half of all those abroad. More than 100 American universities have shaped over 200 exchange agreements with Chinese counterparts. Hundreds of Chinese and American cultural and professional groups criss-cross the Pacific each month. Over 200,000 American tourists and throngs of businessmen flock annually to China. Almost one thousand Americans now teach there.

The Chinese people have growing access to Western books, periodicals, movies, radio and television programs. China is now receiving a much more balanced view of the outside world. This is in China's interest, for a major nation in today's complex world must have accurate knowledge of global trends to make rational decisions.

The merit of certain advances depends on your point of view. Some Chinese are trading in baggy blues and traditional opera for skin tight jeans and disco. Others can sample Rambo and Amadeus, Kentucky Fried Chicken and Elizabeth Arden, even the barbarian Super Bowl. There will be a Holiday Inn in Tibet.

In any event, the general flow of goods, people and ideas promotes China's modernization. It yields opportunities for American business. It enriches the cultural life of both nations. And it builds American and Chinese constituencies for the overall relationship. In times of future stress, more people on both sides will work to preserve ties. By helping China to help itself, we make it less vulnerable to outside pressures, and more integrated with the world economy.

In today's international environment China has many potential foreign partners. If it can maintain political stability, China will become stronger with or without U.S. assistance. It is more apt to be receptive to American ideas if we have thickened our cooperation. It is more apt to be responsible in the region and the world if it is an active participant in the global economy.

Today China's doors are open again, voluntarily and wider than at any time in our memory. If they remain open, the viewpoints of the leadership and people over the coming decades will undergo important changes. We should be part of this process.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

In sum, it is in America's hard-headed self-interest to help China modernize and relate to the world.

The course will not be easy. Two completely different societies are interacting after a long period of mutual isolation. For Americans, many practices in China clash with our concepts of human rights. For Chinese, the growing web of foreign contacts resurrects a riddle faced by earlier reformers: how to capture the magic of Western technology without forfeiting China's

There are, moreover, many misperceptions on both sides. In my experience, even educated Chinese still do not comprehend the American system. As for Americans, our understanding of China is still cramped by the formal, restricted nature of our access. whether it be our journalists, academics or government officials.

Beyond politics and culture, disputes and just plain tough bargaining are inevitable, especially in economics. Some cases in point:

Sino-American trade has grown. But we disagree about the balance and we both face domestic, protectionist pressures. It is difficult to identify potential exports for China beyond sensitive light consumer items. Looming ahead are possible further US limits on textiles and anti-dumping cases. Prices for petroleum and other Chinese commodity exports have plummeted.

China has wisely decided to borrow foreign funds to spur its development. But it is wary about foreign exchange and a growing trade gap. It remains conservative about in-

curring foreign debt.

American investment continues. But many business people are frustrated by high costs, price gouging, tight foreign exchange controls, limited access to the Chinese market, bureaucratic foot-dragging, lack of qualified local personnel, and unpredictability. And we are still far apart on a bilateral investment treaty.

We and our allies have substantially liberalized export controls. But the pace of technology and the volume of cases will always

cause delays and frustrations.

We strove to bring the nuclear agreement into force, and we have explored participation in the gigantic Three Gorges project. But it now appears that Chinese resource constraints and other factors may delay large undertakings for many years.

The flow of goods and people increases. But it has been difficult to make progress on civil aviation and maritime issues.

None of this detracts from the positive momentum in our ties. The process is exciting, diverse, and far beyond what was predicted just a few years ago. But hard work lies ahead both to solve prickly issues and to insulate them from the overall relationship.

Let me suggest how Americans and Chinese might address some of these issues.

First on our side.

Protectionism must be resisted. Access to foreign markets and technology is crucial to China's development and reform. The President devotes enormous effort to blunting domestic pressures. As a late entrant, especially in textiles. China is clearly at a disadvantage, which we have sought to recognize. The Administration, Congressional leaders, American business must lead public opinion. If China cannot sell to America, America will not sell to China.

We must continuously monitor our performance on technology transfer. In recent years, the Administration has worked hard to ease exports in the US and in COCOM. There are limits set by national security

concerns, and some sensitive technology even we and our allies do not share. Within this context, we must ensure that what we would happen happens. This, too, boosts American exports as well as overall relations.

American business should carefully prepare for China. Neither US interests nor US-China ties are served by encouraging illprepared firms to jump into the Chinese market. It takes a great deal of knowledge, skill, patience, and-lets face it-money to be able to compete effectively there. And it takes precise written agreements to prevent subsequent disputes. We should encourage American investment in China. But both government and private consultants should tell prospective entrants about the pitfalls as well as the promise.

In turn, there is much China can do.

The Chinese have pushed hard to attract foreign business. But they are hobbled by inexperience, misunderstanding of foreign needs, and the tension between foreign and domestic regulations. Thanks to the efforts of both the US Government and business, there is a growing awareness among concerned Chinese officials that they have a long way to go. They are beginning to recognize that China must compete with scores of countries to entice foreign investment.

The Chinese often ask what they can do to improve the commercial environment. It reminds me of the visit Alexander the Great made to Diogenes, who lived in a barrel. Standing before the entrance the young king boomed: "I am Alexander, conqueror of the largest empire on earth. Name your gift and it shall be yours." The philosopher replied simply: "Get out of the light." Getting out of the light would be a good first step. While the choices are for the Chinese to make, they will have to improve the overall climate. Several areas need priority atten-

China must bridle those bureaucratic elements who seek to get rich quickly by charging foreigners exorbitant prices for housing, services and office space. It must resist the urge to tax heavily the imported equipment needed by foreign businessmen.

China needs greater clarity in the design and implementation of its economic legisla-

China should improve its statistics, a maze that even the initiated have trouble deciphering. The Chinese operate with several different trade statistics, all of them "authoritative" to their various bureaucracies, none of them matching ours.

China needs to diversify its exports to the United States. Now they are concentrated heavily in a few narrow categories, several of which, such as textiles, generate protectionist pressures.

China must open its domestic market more for both goods and services. This is essential for mutual trade. It is also important if China wants to join the GATT and become integrated in the world economy.

In many areas both sides need to make efforts. Two of the most important are in the negotiations for a bilateral investment treaty and for a maritime accord.

That progress can be made was shown earlier this month when a breakthrough during Secretary Baker's visit to China brightened hopes for Senate ratification this year of the US-China Tax Treaty. This would be of immense benefit to both American businessmen and the Chinese economy.

The National Council can have a major, constructive impact on such issues. I urge you to keep them on the agenda. With

mutual effort and skill, most of them can be managed. But there are still far too many which must be treated at high levels because they are not resolved at lower ones. A truly normal relationship should mean truly normal problem solving.

One problem between us which is not easily managed, even with good intentions, is Taiwan. You are aware of the background of this and the need to handle it sensitively.

The United States is not at the center of differences between the PRC and Taiwan. The core of the problem is historic mistrust between Chinese on both sides of the Straits. We are determined to make new friends, but we cannot abandon old ones. We will adhere fully to the three communiques signed with the People's Republic of China while meeting our obligations under the Taiwan Relations Act. We will seek neither to mediate nor to obstruct reconciliation between China and Taiwan. The United States believes this question should be solved by the parties themselves. We have only one interest-that the process be peaceful.

III. THE INTERNATIONAL CONTEXT

Fifteen years ago the international scene first drove our two countries together. Now the global elements of our relationship are more muted, but no less important. They need nurturing, because our relationship cannot thrive on economics alone.

In the early 1970's China broke out of the isolation of the Cultural Revolution to counter the threat of Soviet encroachment. We in turn sought a new flexibility in our diplomacy, to help achieve global balance and Asian stability. Economic and cultural benefits were long-term aims rather than immediate prospects.

After a dramatic start, our relationship with China leveled off in the mid-1970's. We were frozen in the post-Vietnam and Watergate environment. The Chinese were buffeted by the winds of dynastic change and a succession struggle.

In the late 1970's Soviet and proxy advances spurred the process of normalization between Beijing and Washington.

Since then, with some pauses, the bilateral results have been truly impressive on many fronts-visits and agreements, trade and investments, science and technology, culture and education.

Meanwhile, the Asian region has shown dramatic progress, thanks in large part to the easing, then growth, of Sino-American relations. As we carved out a new relationship with Beijing, we removed the elements of instability inherent in United States-Chinese antagonism. The fall of Vietnam in 1975 had sowed major doubts in the United States, and even more in Southeast Asia, about America's staying power. Yet now, eleven years later, the Asian scene is generally one of achievement and hope. With the tragic exception of Indochina, the dominos did not drop. Asia boasts the world's most dynamic economies. It is America's largest regional trading partner. Our influence and stakes have never been greater. Our interests and those of our ASEAN, Japanese and Chinese friends are more clearly than ever on track, as evidenced by the President's recent trip to Tokyo and Bali.

Today, therefore, the base for our relations with China is much broader than parallel concerns about security. This is healthy.

The Asian context has developed positively as we and China have moved from confrontation to convergence. This is encourag-

At the same time, however, the overall global consensus between our nations has narrowed. This needs to be addressed.

As one moves away from China's periphery, our positions often diverge. The Chinese have largely taken the initiative in this regard. China now follows—particularly outside Asia—an "independent foreign policy," aligning itself with no one, attuning itself to the third world. It states that the root cause of world tensions is the rivalry between the two superpowers for international domination. This rhetoric sometimes suggests that the United States and the Soviet Union are a morally equivalent, comparable threat to world peace. This is a far cry from the late 1970's when the Chinese were urging us to take firm action against the "Polar Bear.

Indeed, Beijing has sought to improve relations with its northern neighbor. There are several reasons, and a certain logic, for this. Whatever their long-term calculations, the Chinese feel less threatened by the Russians in the near term. The Soviet Union with its severe economic squeeze, technological lag, border problems, and internal contradictions-looks decidedly less formidable to Beijing. Conversely, the United States in the 1980's has strengthened its defenses, its economy and its morale, thereby providing a sturdier global balance. China, with its emphasis on modernization, does not have the resources to bolster its own defenses in the short run-so it seeks to lower tensions with Moscow while playing for time. The Russians have their own incentives to make progress with the Chinese.

The results have been more high level visits, trade and exchanges, and less namecalling between Beijing and Moscow.

What does this mean for the so-called

"strategic triangle"?

This is a catchy phrase, but not particularly illuminating. All large powers, including China, must keep an eve on what other ones are doing, and how their interests are affected. In this sense, the Sino-Soviet-American strategic triangle is but one of many intersecting patterns that comprise a complex balance of power. Other significant actors include Western Europe, Japan, ASEAN, India, and Pakistan.

No more useful is the phrase "China card"—or any other card. To be sure, there some inherent geopolitical leverage and balancing in the play of relations between major powers. To be sure, the fact we no longer need to target our forces on China makes much easier our task of containing the Soviet Union. But we do not seek an alliance with China any more than China seeks one with us. We wish neither to provoke Moscow nor perturb our friends. Nor do we wish to block the improvement of relations between Moscow and Beijing. Conflict between the two giants would be dangerous. Cooperation between them will be limited because of profound historical, geographical, cultural, and strategic barriers. China needs no coaching on how to define its security concerns.

For our part we would like to ease rela-tions with the Soviet Union. We cannot do so without Soviet reciprocity. We will not do so at the expense of allies or friends. But if e do so, it would serve not only global stability but our dealings, with China itself. So let us be clear on this point: we are

strengthening the relationship with China for its own sake, not to play triangles or to play cards. Our policies toward Beijing and Moscow clearly are interrelated, but they are pursued on different tracks.

What, then, is the state of our international dialogue with the Chinese? I believe there are grounds neither for alarm nor complacency.

There remain many factors which suggest that we can have close, expanding, friendly-but also non-allied-relations.

First, China depends on a stable balance of power. The Chinese realize that a strong United States is essential for its own securi-

Second, China knows we pose no threat to it. We, in turn, have demonstrated in both word and deed that we are willing to contribute to its historic drive to modernize.

Third, we and China converge on many specific issues:

We agree that Vietnam should get out of Cambodia.

We agree that the Soviet Union should get out of Afghanistan.

We agree that there must be global limits on intermediate range missiles in Europe and Asia.

We agree that conflict on the Korean Peninsula would be a disaster and that peace should be maintained.

We agree that good relations with Japan are beneficial all around.

We agree-quietly-that a substantial US presence in Asia serves the cause of regional peace.

These elements for good relations are strong. But let us not assume that over the long run they are sufficient. There is potential for selective strengthening of our ties. Both sides need to make further efforts to enrich our dialogue on international issues so as to erase misperceptions, lessen tensions, and enlarge areas of cooperation.

Here is what America should bring to this

dialogue:

We should not expect China to line up solidly with us across the board on international questions. Not even our treaty partners do that. Different histories, cultures, geography and national interests will produce some divergence.

China is a friend, not an ally. At times, it serves both our purposes to have daylight between us. China needs to show some inde-

pendence. So do we.

Not every rhetorical jab by Beijing is gratuitous. On some issues China genuinely disagrees with our tactics, even where we share common geopolitical purposes. We should listen with respect when there are since redisagreements, as opposed to cheap shots.

We should distinguish between words and actions. On Asian issues where we largely agree, China devotes concrete resources. Elsewhere their moves are largely rhetorical. Sticks and stones hurt more than names

To my Chinese friends I offer the follow-

Friends should treat each other as such. Public diplomacy is an important foreign policy tool. China's principal audience may often be the third world, but the American people and Congress listen carefully. It undermines domestic support for the relationship when we say China is a friendly country, while China says that "the source of the world's ills is the fierce contention of the two superpowers for hegemonism." We do not appreciate being confused with the Soviet Union.

Just as China has security interests, so does the United States. Attacks on issues of major importance or emotion for us under-cut the base of the relationship. When friendly countries sign onto outrageous resolutions in the United Nations, we notice.

China needs to appreciate more the link between global balance and Asian balance. It is not in its interest that American resources be diverted away from Asia by other security threats, for example in Central America.

There is bound to be some correlation between China's sharing of geopolitical perspectives and our sharing of advanced tech-

nology, especially military.

To avoid complacency about the context of our relations with China, therefore, we must broaden and deepen our discussions on international questions. We agree on much. But there is inadequate consensus to bind us together. And we must not allow our disputes to pull us apart.

The quality-and results-of our dialogue will depend largely on the attitudes we each bring to it. Let us understand each other's perspectives and purposes. Where we disagree, let us debate each other's methods, not motives. Let us strengthen cooperation where it already exists. And let us seek fresh areas of collaboration.

In this way we can, over time, shore up the international foundations for our grow-

ing bilateral links

IV. CONCLUSION

An American lawyer now teaching at Beijing University was sharing some Western publications with one of his prize students. First he showed him a recent cover of the New York Times Magazine which read: 'China on the Move."

"Is it true?" asked the American.

"Yes," agreed the Chinese student.

The lawyer then pulled out a Newsweek cover headlined: 'Putting on the Brakes-China Slows Its Rush To Reform.'

'How about this one?" he asked.

"Yes," the student answered, "also true." "But" the American lawyer persisted, "the headlines contradict one another."

The Chinese student thought for a moment. "That is also correct," he conclud-

I would agree with that Chinese student. Both headlines are correct. As so often in China, contradictions reflect reality.

China is on the move. But the very speed of its pace and rigors of its course will require it to apply the brakes often.

Also on the move is our bilateral relationship. But we should not be lulled by relatively smooth stretches. We should keep both hands on the wheel, for there will be twists and turns. Indeed, we need to widen the road. The general direction, however, is clear. Abiding mutual interests drive us ahead. I believe that together we can and we will go forward toward new horizons of hope.

Thank you.

SAY HELLO TO "SKILLETS"

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1986

Mr. MURTHA. Mr. Speaker, one of the fascinating parts of representing an area in Congress is the many very special and unique people that you meet along the way.

Near the close of office hours I recently held in Boswell, a man came up and intro-duced himself as "Skillets." A few years ago he retired from teaching and started a postcard collection when he and his wife took a trip to the New England States and he sent postcards addressed to "Skillets," 15531 to test the ZIP Code System and see if he would receive the cards. He did. That started him on further collecting, and he has received between 20,000 to 30,000 postcards from all over the country and most of the world addressed simply to "Skillets" 15531.

"Skillets" is Mr. Homer Warnick. He's a Navy veteran and was a Boswell High School teacher for 42 years as well as serving Boswell Borough for 25 years as secretary, treas-

urer, and mayor.

He's particularly anxious to receive postcards from the following countries from which he has never received any: East Germany, Bulgaria, Iraq, Nepal, Yemen, Tibet, Laos, Vietnam, Madagascar, Surinam, Guiana, and Guyana. But as a true collector, "Skillets" is glad to hear from everyone.

It's a pleasure for me to recognize his efforts and attach the following article.

ZIP CODE REALLY WORKS, "SKILLETS" WILL

(By Clifton F. Crosbie)

Boswell.—Homer Warnick: retired educator, craftsman and artist. Public servant, hobbyist and maker of wine.

He paints on stone, refinishes old furniture, collects duck decoys and old beer bottles and whatever else captures his imagination.

At 75, however, he is enjoying fame for a hobby that began 15 years ago as a lark. Postcards find their way to this small community and Homer Warnick from every niche of the world with only the briefest of directions—a nickname and a zip code.

Cards bearing the designation "Skillets 15531" arrive here by the hundreds every week. They originate from the most unlikely areas—Gabon, Zimbabwe, Antarctica, Central Siberia, Belize, New Guinea—and from every state in the union.

TESTING ZIP CODE

It all began in 1969, when Mr. Warnick decided to test the zip code concept by having a friend mail to him a card bearing only the nickname that he had shared with his father and the zip code for Boswell. It worked and word spread about "Skillets 15531" and the newspaper Grit eventually carried a story about Mr. Warnick's hobby. With that, he was nearly inundated by approximately 4,000 responses, which swelled his collection to an estimated 10,000 cards.

There are postcards from friends, missionaries and other travelers; from individuals he had taught during his 42-year career as an elementary instructor in the North Star School District; from exchange students; and from children who love the idea of trying something new.

For the most part, however, the cards are mailed by strangers who just happened upon the story of "Skillets 15531."

Big-city newspapers found Mr. Warnick's hobby to be the stuff of which feature stories are made, and more cards pour in each day

But there is much more to this dignified, old gentleman's day-to-day agenda than just waiting for the mailman.

GOVERNMENT CAREER

He began a career in municipal government in 1947 after seeing action in the Pacific aboard the heavy cruiser San Francisco. He has been secretary and treasurer of Boswell Borough Council and mayor of the

community over a 25-year span and only now is stepping down as chairman of the police pension fund.

"I'm not a rocking-chair retiree," he asserts somewhat unnecessarily.

He has served as a member of the mental health-mental retardation board, chairman of the sewer authority and secretary of the water authority. He has taught Sunday school and delivered "Meals-on-Wheels." He hunts out neighbors who harbor grapes, begs their surplus and shares the wine that ferments in his cellar. When visited recent-

ly, he had 70 gallons a-bubbling.

Throughout the home that he shares with his wife of nearly 55 years, the former Florence Kaufman, are found chest, desks and chairs that he has salvaged and restored. Wormy chestnut, oak and maple, the collection would command considerable attention if made available to those with an eye for such treasurers.

There is more.

LANDSCAPES ON STONES

He paints. Not just anything, of course. Flat stones collected on the shores of Lake Erie are converted into landscapes, winter scenes, whimsical bits and whatever else pleases the artist.

Again, while a market for this beauty exists, it is given to friends, family and special causes—and prized by the recipients. Homer Warnick turns plain rocks into

poems.

But to return to the postcards that threaten to dominate the story of Homer Warnick, there are cards of leather, copper and wood. There are cards rare, religious and ribald. They come from Sierra Leone, Swaziland and Switzerland. One is a reproduced picture of a class he once taught and another, mailed by a member of his 1959 Grade 6 class, came from Jeddah, Saudi Arabia.

Cards from Russia and China are commonplace, although he still needs Uruguay,

Albania and a few other places.

Somehow there is even time left over to fish and plant tomatoes, but Homer Warnick admits there really are not enough hours in the day for all he wants to do.

There is irony, too.

The cards bring the world to him, in that a sensitive stomach rules out extensive travel. Instead, the postman brings him Fiji, Finland and France, Ecuador, Egypt and Ethiopia... and "Skillets 15531" loves it.

DONALD LAMBRO ON THE LESSONS OF THE PACKARD COMMISSION

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1986

Mr. COURTER. Mr. Speaker, many observers have still not grasped one of the fundamental lessons of the final Packard Commission report: That the defense procurement system itself is responsible for many of the procurement outrages that generated so much public concern. In his recent essay in the Washington Times, syndicated columnist Donald Lambro performs a valuable service by explaining in simple language the true message of the Packard Commission report.

Briefly explained, in Mr. Packard's own words, spare parts costs "weren't always the result of fraud or mischief." In those cases

where fraud is involved, we already have in place stern measures for punishing wrongdoers. But what should be done about the rampant bad management and inefficient purchasing procedures that take their toll in taxpayers' dollars?

The Packard Commission has recommended fewer multipage fruitcake recipes, greater use of commercially available products—like Radio Shack diodes, fewer layers of oversight bureaucracy and less congressional micromanagement of the whole process. Too many cooks stirring the broth has only produced unappetizing results. I recommend Mr. Lambro's column to my colleagues who have not had the opportunity to read the Packard Commission's final report.

[From the Washington Times, July 17, 1986]

SPARE-PARTS PROGRESS REPORT

(By Donald Lambro)

The procurement problems that permeate the Pentagon were "worse than I thought," confessed a weary David Packard, chairman of the Blue Ribbon Commission on Defense Management, just before he delivered his report to President Reagan.

Mr. Packard's blunt comment carries more weight than might be indicated by his chairmanship of the 16-member commission, which recently completed a top-to-bottom investigation of the Defense Department's \$164-billion-a-year purchasing practices. Mr. Packard, the 73-year-old business tycoon who heads the Hewlett-Packard Corp., not only knows a thing or two about good management, but also served for three years as a deputy secretary of defense.

deputy secretary of defense. The panel rose out of the spare-parts scandal that exploded in the midst of Defense Secretary Caspar Weinberger's military buildup: among other things, auditors discovered \$640 airplane toilet-seat covers, \$435 hammers, \$437 tape measures, \$748 pliers, \$265 screwdrivers, and a \$2,228 monkey wrench. President Reagan formed the commission to find out not only what

was wrong, but how to fix it.

Now, more than a year later, Mr. Packard says the spare-parts costs "weren't always the result of fraud or mischief," but of bad management and inefficient purchasing procedures. In some cases, the per-item prices were sky-high because minuscule quantities were ordered. In others, military rules forbade the purchase of cheaper off-the-shelf items, while thousands of regulations and specifications needlessly jacked up contract prices.

Thus, for example, two diodes needed by Navy technicians in Orlando, Fla., for flight simulators ended up costing \$110 apiece, when they could have bought 10 for \$1.97 from a local Radio Shack.

However, Mr. Packard discovered that these and other wildly excessive costs were almost penny-ante stuff in comparison to the Pentagon's larger procurement prob-

"The horror stories generated a lot of attention and were very damaging," he said during an interview, "but that's not really where the major waste was. The major waste was in the management area."

The spare-parts problems wasted "maybe tens of millions of dollars," he added, but poor overall defense planning and budgeting is wasting "tens of billions of dollars." And he says that the Pentagon and Congress

share the blame for the mess that the commission uncovered.

Contrary to popular belief, Mr. Packard's commission found that defense programs "lose far more to inefficient procedures than to fraud and dishonesty. The truly costly problems are those of overcomplicated organization and rigid procedure, not avarice or connivance."

The panel found that costly contract

The panel found that costly contract delays stemmed largely from a ponderous bureaucracy, awash in a sea of auditors, with little accountability built into the chain of command. It used to take a defense agency 90 days to award a contract; it now takes 225 days.

During the 1950s, Mr. Packard says, "strong centralized policies implemented by a decentralized management structure" resulted in the then-revolutionary Polaris submarine-launched missile system being developed in one-third of the time it would take now.

The bureaucracy that gives rise to \$110 diodes is worsened by a Byzantine congressional system: it forces the complex Pentagon budget through a meat grinder every 12 months, micro-managing hundreds of programs, and inefficiently delaying some procurement decisions for years.

Programs must be "hastily and repeatedly accommodated to shifting overall budgets, irrespective of military strategy and planning," Mr. Packard told the president. "The net effect of this living day-to-day is less defense and more cost."

The commission's recommendations include shifting to two-year defense budgets; establishing a new under secretary of defense to implement better acquisition policies (this already has been enacted); and broadening the authority of the chairman of the Joint Chiefs of Staff to streamline the system (this is nearing congressional approval).

Other recommendations already have been put in place by Mr. Weinberger, who says the commission's remaining proposals will be implemented, as well. Messrs. Packard and Weinberger will give a progress report to the president in six months.

But Mr. Packard didn't get where he is by accepting anything on blind faith. "It remains to be seen how they are implemented in a way that will really make any difference," he says. "It's a big bureaucracy, and they can find ways to drag their feet and not change a thing."

Footnote: Mr. Packard has been down the reform road before, but with little result. He recalls the 1970 Fitzhugh Commission, when he was in the department: "We implemented half of the recommendations that were made, but we didn't put into effect any of the major recommendations. So nothing happened."

LEGISLATION TO ASSESS AND CONTROL THE DETRIMENTAL EFFECTS OF DRIFTNET FISH-ING ON MARINE RESOURCES

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1986

Mr. BENNETT. Mr. Speaker, today I am introducing the Driftnet Impact Monitoring, Assessment, and Control Act of 1986 as a companion bill to S. 2611. This bill is the beginning of a solution to one of the greatest envi-

ronmental problems facing our planet's oceans. The fact that this problem is happening out on the ocean, where it is less noticeable, does not lessen the seriousness of the impact which driftnets are having on the marine resources off the coasts of the United States. Millions of seabirds, thousands of marine mammals, and countless other fish and marine creatures have already become entangled and died in actively fished driftnets and in netting that is lost or discarded.

Pelagic driftnets, that is high seas driftnets, consist of a panel of plastic webbing suspended in the water like a curtain and may be up to 20 miles in length. These nets being plastic do not rot out, are invisible to fish and other animals and are virtually unbreakable. Pelagic driftnets are used principally in the salmon, squid, sailfish, and marlin fisheries of the North Pacific. Currently a total of nearly 1,700 vessels from Japan, Taiwan, and the Republic of Korea set approximately 20,000 miles of such nets each night during the fishing season. A significant portion of this netting is lost or discarded, resulting in ghost nets which continue to indiscriminately kill marine life. The limited data that has been collected from a small fraction of these vessels indicates that the total impact of these nets is staggering.

I would like to congratulate Senator TED STEVENS and his staff for their efforts in producing this needed piece of legislation. The oversight hearing which Senator STEVENS chaired last year clearly established that foreign pelagic driftnet fleets are having a very detrimental impact on seabird, marine mammal, and fish populations. How big this impact is cannot be known without more detailed and reliable information. Section 4 of the proposed legislation would require the State Department to instigate monitoring programs with the foreign governments involved to assess the adverse impacts of driftnets. If these nations do not join in monitoring programs then they would be denied access to U.S. fishing grounds. Section 5 requires that the Secretary of Commerce report to Congress yearly on these monitoring efforts and the impact of driftnets on living marine resources. With this information Congress will be able to determine how better to control the impacts of the driftnet fisheries.

This legislation goes further than gathering information. Several positive steps are implemented. Section 9 establishes a "Seabird Protection Zone" surrounding the Aleutian Islands. The Aleutians are a major breeding ground for seabirds. The danger to these seabirds arises when they attempt to feed on creatures caught in driftnets. The birds then become entangled in the netting and drown. Numerous concerned organizations have emphasized the need for the creation of such a protection zone.

The Coast Guard is required to enforce Federal fishery regulations such as the proposed prohibition of driftnet fishing in the "Seabird Protection Zone." Section 6 requires that the cost of an effective enforcement program for the North Pacific fisheries be reflected in and fully recovered through foreign fishing permit fees.

In sections 7 and 8, the Secretary of Commerce is required to develop recommendations on a net marking and identification system, and to create a bounty system for the retrieval of ghost driftnets. The retrieval of these nets and the identification of their source will help in the resolution of this problem

The indiscriminate killing of target and nontarget fish, marine mammals, seabirds, and other marine creatures has gone on too long. This bill is perhaps not the perfect ultimate solution to the problems created by driftnets. Some changes may later be made in it, but we have waited too long to act on this threat to the environment. I urge my colleagues to support the bill I have introduced today.

ON THE BORDER OF HYPOCRISY

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1986

Mr. MARKEY. Mr. Speaker, on the anniversary of our Nation's independence, we all reveled in the spirit of Lady Liberty and what she has come to symbolize to so many generations of American citizens. We recalled the basic human desire for freedom and peace which has drawn millions of immigrants—our ancestors—to this continent to pursue their dreams.

However, even as we bask in the welcoming spirit of Ellis Island, Mexicans and Central Americans find no such welcoming oasis on the Rio Grande. As this Congress deliberates over immigration policy, a new generation of immigrants wonders why Lady Liberty does not open her arms to them.

Columnist Joanne Jacobs reminds us that the new immigrants are no different from our ancestors who came to Ellis Island and other ports. I strongly recommend her editorial to my colleagues.

[From the Washington Post, July 5, 1986] (By Joanne Jacobs)

On the eastern border, there will be fireworks and tall ships, 1,000 tap dancers and 1,000 fiddlers, Mary Lou Retton and Mikhail Baryshnikov, Frank Sinatra and Elizabeth Taylor. The refurbished Statue of Liberty will lift her lamp beside the golden door once again, as politicians extol the huddled masses and tourists strew wretched refuse on the shore.

"Give me your tired, your poor . . ."

At the southern rim of the land of the free, Mexicans and Central Americans will walk across the border in the dark. No tap dancers, no fiddlers, no Sinatra.

Like 40 percent of all Americans, I'm descended from immigrants who entered America through Ellis Island, and I'm proud of their courage and grateful for their dreams. I'll get misty-eyed when the statue lights up and civics-book pieties are repeated

But the glittering celebration planned in New York illuminates the dazzling hypocrisy of U.S. immigration policy. As we revel in the achievements of the old new Americans, who came from Europe, we worry about the "problem" of the new new Americans, who come from Mexico and Asia.

Our immigrant ancestors came with nothing, we brag, but they worked hard for low wages and changed America. The new immi-

grants, we complain, come with nothing, and are willing to work hard for low wages. We're afraid they'll change America.

We employ the illegals, building whole industries around their low-cost labor. We grant them the right to be educated (badly) at public schools and treated at public hospitals, but not the right to exist.

Congress has been wrestling with "immigration reform" for three years now (the bill has just been pushed back on the calendar) on the premise that illegals are taking "our" jobs and driving up social spending. The illegals are "threatening our economic existence," warns Harold W. Ezell, Immigration and Naturalization Service western regional commissioner.

I'm still reeling from an interview with Mike Antonovich, Los Angeles County supervisor and would-be (but won't be) U.S. senator, who charges that illegals are causing unemployment—by taking jobs as directors and cameramen in Hollywood. This is a big problem, Antonovich says. He claims illegal aliens cost America \$35 billion a year.

In his xenophobia, Antonovich forgets that illegal aliens pay taxes but are less likely to use tax-paid social services, except for schools, than the rest of us. Aliens also buy goods and services. And their energetic, low-cost labor allows certain industries—such as the garment industry in Antonovich's town—to remain in the United States instead of moving overseas.

In fact, it's not at all clear to economists that immigrants take more jobs than they create. The president's Council of Economic Advisers concluded in its 1986 report that immigrant workers, legal and illegal, helped the economy expand, creating lower prices, new jobs for everyone and higher per-capita incomes for native-born Americans.

It would cost employers \$1.6 billion to \$2.6 billion a year to screen out undocumented workers, the study estimated

As long as Mexico is poor and the United States is rich, aliens will come across the

long border to work here.

We could beef up the Border Patrol, which has the advantage of limiting drug traffic, and impose employer sanctions, which has the disadvantage of eroding all our liberties, but no option, however Draconian, can keep them all out, and it would be an economic disaster if it did.

The United States has survived for many years, despite all the "crisis" talk, with a porous border that makes life difficult, but

not impossible, for illegal aliens.

However, this hypocrisy imposes a cost on our society, as The New Republic pointed out on April 1, 1985: "The real problem with illegals is that they may become a permanent servant class, latter-day indentured servants whom we depend on for their labor, but who live as fearful, second-class citizens on the margins of our society. This may not be bad for the economy, but it corrodes the policy."

It could be both more sensible and more American to raise legal immigration quotas to levels that approximate the demand. Immigrants are going to come anyway. Let's offer them the same promise that was given

to our ancestors.

About 7 million legal immigrants will come to America in the '80s, say federal officials. Perhaps 5 million more will come without papers. The newcomers crowd into poorer neighborhoods, compete for less desirable jobs and burden the schools.

It's a problem, yes, but it's the same problem caused by the Irish and the Italians and by my Russian-born grandparents. America knows how to solve it: assimilation, education, tolerance and time.

Native-born Americans didn't think much of the Ellis Island immigrants at the time either, by the way. Our ancestors were thought to be mentally and morally deficient, dirty and criminal, irremediably foreign. "Wretched refuse" is about right. To prove it, the old Americans had scientific studies and the criminal records of immigrant slum kids. They were wrong.

Like our Ellis Island ancestors, the new immigrants will enrich American character, which is constantly recreated by the people who've been enterprising and determined enough to make their way here. They'll remind us that the status quo isn't sacred, that America is a strong, vital, growing, changing nation. They'll be good Americans.

CONGRESSIONAL CALL TO CONSCIENCE VIGIL

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1986

Mr. KINDNESS. Mr. Speaker, as House chairman of the 1986 Congressional Call to Conscience Vigil for Soviet Jews, I want to encourage the participation of my colleagues in the vigil for the remainder of this session of the Congress.

The Congressional Call to Conscience Vigil, which began in 1976, uses statements by Members of Congress to focus attention on the plight of Soviet Jews. Our objective is to have at least one statement, whether spoken or submitted as an extension of remarks, appear in the Congressional Record each legislative day.

Response to the vigil has been good so far. We need additional commitments in order

to ensure that the vigil continues.

I ask my colleagues to please let us know if you need additional information or wish to participate in the vigil. Members who have participated already are welcome to submit an additional statement.

Your statement and efforts will make a difference in the ongoing struggle for freedom and self-determination.

TRADE, INVESTING IN THE UNITED STATES, AND THE PIRELLI CO.

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1986

Mr. MURTHA. Mr. Speaker, one of the aspects of the trade problem which must be more vigorously pursued is working with foreign companies to increase their investment in the United States, and to work with those companies that have already shown a willingness to join the U.S. economy.

Along those lines, I wanted to bring to my colleagues' attention an article from the Wall Street Journal concerning the Pirelli Co. and its chairman, Filiberto Pittini.

The article deals with the management style for the future of high-technology businesses, which has been a hallmark of the Pirelli Co.'s

Very importantly, unlike so many businesses that try to drain American technology from this country, Pirelli continues to make major investments in the United States, where it employs more than 1,100 individuals and where it is in the process of building a new state-of-the-art R&D center. In addition, Pirelli is considering placing the world's largest, most modern submarine cable manufacturing facility in the United States.

Following is the article from the Wall Street

[The Wall Street Journal, June 27, 1986]

AN INTERVIEW WITH FILIBERTO PITTINI

A range of products which spans from tyres to cables, from industrial components to rubber consumer goods; 62 thousand employees and 110 factories distributed throughout 16 countries; a turnover of almost 3.7 thousand million dollars in 1985, 70 percent of which is produced outside Italy.

These are the features which make Pirelli the most international of the Italian companies.

A company which in recent times is achieving exceptional performances. After having raised about 600 million dollars of new funds on the international capital markets through a series of brilliant financial operations coordinated by the parent companies in Milan (Italy) and Basle (Switzerland), the Pirelli Group went on to realize one of the most important acquisitions abroad which has ever been made by an Italian company taking over from Bayer 100% of Metzeler Kautschuk, a leading Germany company in the motor vehicle rubber components sector. The net profits of the Group have increased by approximately 40 per cent and Filiberto Pittini, Chairman and Managing Director of the Pirelli Société is confident about the future growth prospects.

Q. Mr. Pittini, in the last few years Pirelli has developed more rapidly than many of its competitors, increasing its market shares; you are the leading producers of cables in the world and in fifth position as manufacturers of tyres. What is the "secret" of your competitiveness?

A. We are only trying to stand up to competition by operating through a global strategy approach. When I say "global", I mean in terms of production sources distributed in the main geographical areas but strongly integrated, with a centralized management of the financial, technological and organizational resources. This is the key factor in our strategy, together with a continuous effort in product and process innovation. With 2,000 specialists working in six research centres, the Group is today investing more than 100 million dollars yearly in R&D.

Q. With what results?

A. In the tyres sector, which represents around 45 per cent of the Pirelli turnover, we have a prominent position in high performance tyres, which is to say in the most dynamic and profitable market segment. It is this innovative capacity which in the last two years has allowed us an increase in sales volumes which is more than five times that shown by the market.

Q. And in the cables sector, how do you feel you can face the enormous changes

which are affecting the telecommunications and power transmission sectors?

A. Here again technology plays a key role. In order to maintain and reinforce our leadership, we shall continue to invest in R&D and in innovative sectors, such as optronics. As manufacturers of optical fibres and optical cables, it seemed only natural to us to deal with their applications into electronic systems. This move ahead is characterized by the acquisition of shareholdings in system companies such as Litel-USA (construction and management of data transmission networks), David-USA and Focom-UK (data communication products). Velec-France (image and data communication systems), ITP Automazione-Italy (factory automation) and Boselli Sistemi, a joint venture with IBM Italy (building management).

Q. But the most important acquisition was that of Metzeler, in January 1986. What were the aims?

A. Even if the Pirelli brand image is mainly associated with tyres and cables, our Group is highly diversified in the rubber sector. Diversification has always been a strategic objective of our Group and also one of our major strengths. With the acquisition of 100 per cent of Metzeler we are reinforcing our position on the German market as well as in Europe as a whole and in Brazil, particularly in the motor vehicle components market. The Pirelli Group is thus taking a sensible step forward in its strategy of consolidation and development in sectors and geographical areas of particular interest.

Q. Apart from technology, what is in your opinion the main challenge Pirelli will have to cope with in the forthcoming future?

A. To be able to compete in a worldwide global scenario. This requires, bearing in mind the high spread of our productions worldwide, capability to manage a vast network of international relations with suppliers, clients, shareholders and competitors.

THE PIRELLI GROUP

These are the main figures of the "aggregated accounts" of the Pirelli Group in 1985

Turnover: U.S. \$3,650 million. Net profit: U.S. \$101 million. Factories: 110 in 16 countries.

Personnel: 61.419.

R&D expenditure: U.S. \$100 million, in six R&D Centres operating in: Italy, U.K., W. Germany, France, Brazil, United States

Investments in fixed assets: U.S. \$250 mil-

Distribution of sales: by sectors: cables 43%, tyres 46%, diversified products 11%; by geographical areas: Europe 64%, North America 10%, South America 24%, Australia and Africa 2%.

NEW YORK TIMES ON RENEWAL OF BREZHNEV DOCTRINE

HON, JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1986

Mr. COURTER. Mr. Speaker, one of the most significant things about the Solidarity crisis in Poland was that the Soviet invasion which many expected never came. The reason it did not come was that it proved unnecessary. The several Soviet divisions which were already garrisoned in Poland apparently EXTENSIONS OF REMARKS

never even moved from their usual stations; Polish security forces and army personnel handled the demonstrations and strikes. Soviet General Secretary Gorbachev made reference to this at a recent summit meeting with one of Poland's Red Army veterans, General Jaruzelski, who during the Solidarity crisis willingly did for the Soviets what they preferred not to do themselves. He lauded the Polish dictator for suppressing the Poles, and made it clear that the Soviet Union considers inviolable all communism's territorial conquests. Thus did the new Soviet chief make clear his allegience to the old Brezhnev doc-

The New York Times published a fine editorial on the Gorbachev visit to Warsaw, an editorial very worthy of a wide readership in the Congress. I insert it in today's RECORD.

The article follows:

[From the New York Times, July 4, 1986] THE "PRISON OF NATIONS" TO MR. GORBACHEV

Whatever changes may be afoot in Soviet foreign policy, the notorious "Brezhnev Doctrine" has just been reaffirmed. Appropriately enough, Mikhail Gorbachev chose Poland as the site and the Communists who crushed the Solidarity rebellion as the audience for reiterating the Soviet declaration of Eastern Europe's non-independence.

First, Mr. Gorbachev gratefully toasted General Jaruzelski. In an act of putative Polish patriotism, the general spared Kremlin leaders the dirty work of smashing Solidarity directly. How fortunate that Poland could muster its "own resources.

But Mr. Gorbachev did not stop at that Should some future Eastern regime falter, he proclaimed, the Soviet Union understands its responsibility as leader of "the socialist community." Sovietstyle socialism now "manifests itself as an alliance of countries closely linked by political, economic, cultural and defense inter-Any attempt to "wrench a country away from the socialist community means to encroach not only on the will of the people, but also on the entire postwar arrangement, and, in the last analysis, on peace.'

Mr. Brezhnev's originality lay in giving this doctrine the name of socialism, but he was not the first Russian leader to practice it. The 19th-century czars were notorious for their forcible suppressions of all nationalist stirrings in Eastern Europe. Lenin called their empire a "prison of nations."

Now that Lenin's heirs run the prison, the name is "socialist community." But the claim of a great power's sphere of domination is the same. Under Kremlin direction, Eastern Europe displays the rigidities of the Soviet model combined with the inertia of colonial dependency.

Only East Germany enjoys consistent economic growth, but it is denied any real independence in foreign policy. Rumania has managed to pursue a cautiously aloof foreign policy but its people suffer under Stalinist political controls and severe economic privation. Hungary has come furthest toward accommodating dissent, but its oncerebellious people risk their jobs if too outspoken. And in Hungary, Czechoslovakia and Bulgaria, aged leaders hang on in the absence of a regular mechanism of political renewal.

A meaningful program for change in these conditions would require confidence and innovation in Soviet policies. On this vital front, Mr. Gorbachev sounds old hat. MEXICO-A NEIGHBOR IN CRISIS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES Monday, July 21, 1986

Mr. UDALL. Mr. Speaker, this is the fifth in a series of articles that I will be submitting over the course of the next several weeks that will illustrate the current crisis in Mexico.

I feel it is critically important to remember that Mexico is not some distant trouble spot, but rather, our friend and valued neighbor to the south.

Alfred Stepan, a professor of political science and dean of the School of International and Public Affairs at Columbia University, suggests that out administration officials are worrying about Mexico's symptoms, drugs, and migration, but are not worrying about the underlying disease. The economic, political, and social perils facing the Mexicans are grave for them and for us. He feels this is a serious mistake, and that the United States simply cannot afford to stand idly by and watch Mexico take a political turn for the worse.

The article follows:

[From the New York Times, June 17, 1986] MEXICO DESERVES FULL U.S. ATTENTION

(By Alfred Stepan)

Events last week-the peso fell precipitously and Washington stepped in to try to help negotiate an emergency loan of some \$5 billion-once again brought home the urgency of Mexico's economic crisis. The United States ought to be relieved that the crisis has as yet had almost no political repercussions, but this is no time to hide our heads in the sand

For some weeks now, official Washington has been berating Mexico for the symptoms of its economic crisis-increases in drug traffic and illegal immigration. This is no help at all: Administration officials may have recognized this, for last week they spoke much less harshly than in the past. emergency package will also be helpful in the short run, but it is not enough. We must begin to think more seriously about what we can do to help the Mexicans find new ways to shore up their faltering economic and political system.

From 1935 to 1981, the Mexican economy grew by some 6 percent a year. For the period from 1982 through 1986, Mexicans project zero growth-and they expect the minimum wage to fall to half of what it was before the crisis hit. The country's foreign debt is nearly \$100 billion, and the Government is finding it impossible even to maintain interest payments. Oil revenues, which once generated 50 percent of the Government's revenue and 75 percent of its foreign exchange, have fallen by \$6 billion, and political leaders are bracing for further eco-

nomic deterioration.
So far, the political system has weathered the storm fairly well. The Institutional Revolutionary Party known as the PRI, remains in control. Strikes, historically low by Latin American standards, are infrequent and largely nonviolent. There has been virtually no urban revolt-no food store sacking or bus burning-of the kind often seen in such

How has the system held up? The PRI's political apparatus-for 60 years, the party has dominated Mexican politics through a combination of myths left over from the revolution and patronage politics—is working hard at damage control. Poor families receive a wide variety of subsidies equal to just about half the minimum wage per person. The exchange rate is now more than 600 pesos to the dollar, but the subway fare is only one peso. Beans, tortillas, domestic cooking fuel and other staples are heavily subsidized and widely available at state stores.

Yet even these mainstays of the political system are showing signs of increasing wear and tear. The subsidies are politically effective but extremely costly. The shrinkage of the Government's revenue base means that the PRI must either cut back further on patronage and subsidies or violate its agreements with the International Monetary Fund.

The economic, political and social perils facing the Mexicans are grave for them and grave for us. Yet few Administration officials seem to have any idea of just how serious. They worry about symptoms—drugs and migration—but not about the underlying disease. When they respond at all, it is with short-term emergency bailouts. Nor do they seem to understand why Mexico's crisis should matter to us: many see Mexico as merely a sideshow to the Central American conflict.

This is a serious mistake. Certainly—because of our capacity for mutual destruction—the Soviet Union is the No. 1 country in the world for us to pay attention to. But Mexico should be No. 2.

The fall in oil prices now makes Mexico the most imperiled of the large debtors. Five of the largest banks in the United States may have put as much as half of their primary capital at risk in loans to Mexico. This would be reason enough to worry, but the United States and Mexico have even deeper ties of geography and common destiny.

The United States-Mexican border is the most important frontier in the world between a rich market economy and a poor one. No other developed country is as intimately linked to the poor as we are. England and Japan are islands; Scandinavia has historically been a world apart; France, West Germany and the Benelux nations are not islands, but they are well insulated from the third world.

The United States is not insulated, but we have been lucky—and Mexico's long-term stability has been an extremely important part of this. Mexico and the United States are bound by intricate financial ties; Mexican-Americans are the second largest minority in the United States; and we share a virtually uncontrollable 2,000-mile border. Imagine then, what it would mean if Mexico erupted in turmoil of the kind we have seen in El Salvador, Guatemala and Nicaragua. Imagine that chaos and violence, magnified a dozen times, on our very border.

The United States simply cannot afford to stand idly by and watch Mexico take a political turn for the worse. There are things that we could be doing now that we might not be able to do later.

Militarizing the border is not the answer: that would be wildly irresponsible even if it were possible. But there is no shortage of constructive policies. In the short run, we could increase our purchases of Mexican oil—we might contract for a set amount at a fixed price to be delivered over the next year—and use it to replenish our strategic oil reserves. This would immediately relieve much of the threat of a Mexican default. In

the medium run, we could lead rather than resist the voices in the developed world who urge an augmentation of World Bank and I.M.F. lending to countries like Mexico.

Finally, in the longer run, Mexico and the United States must sit down together and identify an extensive package of development projects that we could implement together to stave off the crisis that threatens us both. These should include shared water development and private sector investment projects. The United States might, for example, make a special point of promoting the Mexican cement industry. Our sharply different economic circumstances—the different mix of factors of production—would make such joint actions beneficial for both countries. Our shared destiny makes them imperative and extremely urgent.

A new generation of Mexican economists and politicians is exploring such projects more seriously than ever before. We should do likewise. Whether we like it or not, we too are living under the shadow of the Mexican crisis. With a modicum of imagination and will on both sides, a solution should be within our common reach.

PROPOSED SENATE BUDGET CUTS IN VETERANS PROGRAMS

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1986

Mr. WOLPE. Mr. Speaker, I rise today to call my colleagues' attention to a letter I recently received from a constituent of mine in Battle Creek, Ml. Some weeks ago, I asked a number of veterans in my district to publicly express their concern about proposed Senate budget cuts in veterans' programs. I would like to share with you one particularly eloquent and moving letter to Senator DOMENICI that resulted from that request:

JUNE 21, 1986.

Senator Peter Domenici, Chairman, Senate Budget Committee, U.S. Senate, Washington, DC.

DEAR SENATOR DOMENICI: As a disabled veteran of WWII, I am highly disturbed by the Senate's decision to stick with the Reagan Administration's 1987 budget allocation for veterans. The House of Representatives, on May 15, 1986, passed a budget resolution which protected veterans from cuts contained in the Administration's budget.

Forty-four years ago, as a young man, I was proud to fight and risk my life for the freedom and democracy America stands for. When my country called for my service, I did not run away and shirk my responsibilities. I stood proud to wear the uniform and bear the flag of freedom. I fought hard during this war, witnessing many of my comrades lying wounded or dead on the battlefield. We protected the rights, freedom and democracy of this country as a legacy for future generations. I believed in my country and believed in the promises it made to all of us men and women who fought valiantly to protect it.

Forty-four years ago I would have never thought any proposals would be made reducing the services provided veterans. America promised to provide adequate care for its veterans in our times of need, just as we fought for America in her time of need.

I am 100% disabled as a result of fighting in WWII. Any cuts in budget such as a reduction in VA medical staffs and elimination of other vital programs, would directly harm thousands of loyal citizens. I understand the need to reduce the federal deficit, but let's reduce it without critically harming one group of citizens. The medical services provided by the VA hospitals are my only option in receiving adequate medical care. Since I am disabled and cannot work, the VA pension is my source of income. The cost of living grows each year, in order for me to exist, a full cost-of-living adjustment should be included for veterans drawing compensation and pensions.

Senator Domenici, please consider the needs of the veterans who have served their country, in your support of the House of Representatives' resolution for higher funding levels in veterans' programs. The Senate resolution will harm the services currently provided veterans.

Thank you for taking the time to read and consider this letter.

INTRODUCTION OF PEDESTRIAN SAFETY WEEK

HON, DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1986

Mr. HERTEL of Michigan. Mr. Speaker, today I have introduced House Joint Resolution 670, a measure to declare the week beginning August 31, 1986 as "National Pedestrian Safety Week."

Each year as school children return to the classroom the number of pedestrian injuries and fatalities increase dramatically. In an attempt to increase awareness and improve education regarding pedestrian safety, I have introduced House Joint Resolution 670.

In 1984 there were 8,200 pedestrian fatalities in the United States and approximately 7,600 annually during the last decade, accounting for 16 percent of all motor vehicle deaths during that period. Furthermore, preschool children between the ages of 2 and 6 are estimated to be involved in 11 to 14 percent of all pedestrian fatalities. However, that age group only represents 6 percent of the total population. Pedestrians under the age of 15 and over the age of 65 account for 41 percent of all pedestrian fatalities.

I appeal to my colleagues to act now to protect the most innocent and vulnerable members of our society. With the proper support we can make this coming school year a safer one for students and the general public, alike.

TRIBUTE TO THE LATE HONOR-ABLE JONATHAN B. BINGHAM

SPEECH OF

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1986

Mr. CONTE. Mr. Speaker, I rise today to pay tribute to a former colleague, Jonathan Bingham, who passed from this life on July 3 at the age of 72.

Jonathan Bingham, friend, colleague, and dedicated representative of the people of New York served nine terms in the U.S. House of Representatives. During nearly two decades of service he won respect on both sides of the aisle while fighting for congressional reform, tighter regulation of the nuclear industry, and human rights throughout the world.

Jonathan's entrance to the national political scene was one of widespread interest. Never one to back down from a tough fight, Jonathan won his first bid to the House in a primary battle that pitted him against a well entrenched incumbent of 30 years who firmly believed he could not be beaten and openly taunted the challenger. The national media compared the campaign to the battle between David and Goliath.

Jonathan surprised a lot of people with his tenacity, clear thinking, and dedication, and he used those skills for the benefit of his constituents from 1965 until 1983.

Those of us who worked with Jonathan remember his role in securing passage of the War Powers Act of 1973. This historic legislation limited Presidential powers with regard to troop commitment on foreign soil and changed, in many ways, the direction of the Presidency.

An advocate of congressional reform, he was instrumental in bringing secret ballot voting for committee chairmen and he fought successfully in 1977 to abolish the Joint Atomic Energy Committee which he felt unfairly supported nuclear interests. He carried his fight to passage of the Nuclear Non-Proliferation Act of 1978 which instituted new controls on exporting nuclear materials.

Jonathan, a native of New Haven, CT, fought for what he believed was just. He never forgot the best interest of his constituency but fought, at the same time, for what he saw as the greater good of all Americans.

In addition to his public duties, Jonathan Bingham was also a devoted family man who, with his wife June, raised three daughters and one son. He attended Yale and Yale Law before embarking on a distinguished career that included positions as deputy administrator of the Technical Cooperation Administration and U.S. Representative on the Economic and Social Council of the United Nations.

He also proved his literary skills as author of a book entitled, "Shirt Sleeve Diplomacy: Point 4 in Action" and found time to concentrate on music as an accomplished pianist. He played several other instruments, as well, and performed regularly with his family.

Friend, family man, and respected colleague, Jonathan Bingham lived a courageous and distinguished life of service to this great Nation. He will be sorely missed.

BEN WATTENBERG ON DEMOCRACY'S UNIVERSALITY

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1986

Mr. COURTER. Mr. Speaker, the founders of our country often declared the principles of this Government to be universal, applicable at

any time and anywhere. Today the Earth's surface is dotted with many democracies, from the expanse of the richly populous India to the small Central American State of Costa Rica. The diversity of their locations and their peoples proves the wisdom of our founders to be completely true.

Ben Wattenberg, a scholar with the American Enterprise Institute and vice chairman of the Board of International Broadcasting, address this theme in a fine article published just prior to the Fourth of July. "Remember," he writes, "the Statue of Liberty faces outward to the world." I would like to include the column in today's RECORD.

(From the New York Post, July 3, 1986) Our Lesson in Democracy for the World (By Ben Wattenberg)

Amid the glitz, television, fireworks and celebrities, it may be hard to discern why the Liberty Lady is so important these days.

Let's go back a bit. At about the time the Statue of Liberty was unveiled 100 years ago, the patterns of American immigration were changing rather dramatically—just as they are changing dramatically now.

Prior to the 1880's, it would have been fair to characterize the American population in roughly this way: white people who originally came from the countries of northwestern Europe and black people who originally came from Africa as slaves.

The white people, be it further noted, came from countries that typically had had at least some democratic experience.

Then, suddenly—at about the time the statue arrived—new kinds of immigrants began pouring into America; Italians, Jews from eastern Europe, Poles, Ukrainians and other Slavs. They were people from countries with little or no democratic tradition.

There was great consternation in the U.S. Wise men worried whether these swarthy, unwashed primitives could ever learn to be Americans in the way WASPs were.

Well, of course, they and their children, and their grandchildren, managed all right: Lee Iacocca, George Gershwin and Edmund Muskie come immediately to mind.

And so, a message was sent from these new-style, ethnic immigrants who arrived in America sailing beneath the shadow of the Statue of Liberty. The message was this: Democracy in American could work for people other than just northwestern Europeans with democratic backgrounds.

Most new immigrants today are from Latin America, and from Asia, and some from the Moslem lands. From everywhere.

How many times have you seen on television the story of the little Vietnamese girl who came here speaking no English and became the high school class valedictorian?

So now a new message is going out. Democracy in America can work not just for all kinds of Europeans—even those without democratic traditions—but for everyone.

Well—democracy can work for everyone who comes to America. That is an interesting, indeed heart-rending domestic story. But it has become transmuted into a foreign policy story as well perhaps the most important one in the world today.

For once you say democracy works for everyone in America—Europeans, Africans, Latins and Asians—there is a corollary question that begins to form. Might democracy

work for everyone, everywhere?
Remember, the Statue of Liberty faces outward to the world. Its message may be universal. If Filipinos can be democrats in America, why not in the Philippines? If

Nicaraguans can be democrats in the U.S., why not in Nicaragua? How about Cuba? Hait? Poland? South Korea? Hungary? Russia?

This is the nature of the global struggle today. Is the symbolism of the Statue of Liberty ours, or everyone's?

THE NATIONAL BICENTENNIAL COMPETITION

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1986

Mr. EDWARDS of California. Mr. Speaker, celebration and days of remembrance are important occasions in the life of any people. We must always keep in mind why it is that we celebrate and remember, for each act of remembrance renews our will to remain a free and united people. Of special significance is the celebration that will take place from 1987 to 1991 commemorating the bicentennials of the Constitution and the Bill of Rights.

We should take the opportunity of this extended period of time to improve civic education in this country by teaching young people especially the meaning of these two momentous documents, the Constitution and its first 10 amendments, framed by Thomas Jefferson and known to all of us as the "Bill of Rights."

To support this endeavor, Congress has already authorized \$5 million to be appropriated annually to the Commission on the Bicentennial of the Constitution. Of particular importance for the civic education of young people is that a portion of these funds has been set aside for a national competition on the Constitution and Bill of Rights. This model program will be conducted by the Center for Civic Education

The competition is presently being field tested in a number of congressional districts, including my own. The Santa Clara County School District has at the helm of its program a polished, creative and capable professional, Ms. Norma Wright. Norma has told me that what makes this competition unique is that it teaches students the "why" of celebrations. In the sometimes bewildering events of the present, this model points to the firm ground of the historical past, to other events of two centuries ago that have such meaning for us today and which may serve as anchors in a sea of troubles. I urge my colleagues to support the National Bicentennial Competition.

A TRIBUTE TO MR. WALTER W. THOMPSON

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1986

Mr. COELHO. Mr. Speaker, I would like to take this opportunity to focus our attention on a lifetime of achievement and public service which merits our highest accolades and commands our deepest respect.

Mr. Walter W. Thompson has served the housing authority of the county of Stanislaus

for over 35 years. He has been executive director of the program for the past 31 years. During his tenure, the housing authority has developed nearly 1,200 low-rent dwellings in Stanislaus County. Furthermore, Mr. Thompson has overseen the development of four day care centers to accommodate the children of farm laborers and migrant workers.

In addition to these achievements, Mr. Thompson's guidance has lead the housing authority to assist nearly 2,000 elderly families through the implementation of rental assistance programs. He is also responsible for aiding over 100 families by taking advantage of rehabilitation and after care programs.

Representatives from the Department of Housing and Urban Development and the Farmers' Home Administration have called the housing authority of the county of Stanislaus one of the finest departments, in terms of design and administration, under their jurisdiction—and Walter Thompson has made it all possible.

Walter Thompson's commitment to his community does not end with his fine work at the housing authority, however. He served his country as a master sergeant in the Marine Corps during World War II in the Pacific.

As a member of the Veterans of Foreign Wars, he served as State commander in 1963–64, national council member from 1967–69, and national chief of staff in 1974–75.

He is a member of the American Legion and of the Kiwanis Club of Greater Modesto, where he has a record of 28 years of perfect attendance. In 1982, he was awarded the Legion of Honor Award.

For 17 years, Mr. Thompson has been chairman of the youth service committee, serving as president in 1968. Currently, he is the lieutenant governor for division 46 of the committee.

Mr. Thompson was instrumental in establishing the Senior Opportunity Program of Stanislaus County. He has served as the president of the program since 1972.

As a member of the Emmanuel Lutheran Church, he has served on the church council and also as chairman of the church's board of directors.

Mr. Thompson is a member and past president of the Visiting Nurses Association and the Stanislaus Coordinating Council, as well as a member of the Sportsmen of Stanislaus and Community Hospice.

He is the founder and presently sits on the board of directors of the Stanislaus County Child and Infant Care Association. He is also a member of the National Association of Housing and Redevelopment Officials, where he served as president in 1968. He currently sits on the national board of directors.

As Walter Thompson retires from the housing authority of the county of Stanislaus this July, I believe this Congress should salute him as a truly great American. The County of Stanislaus will forever be indebted to him for all that he has given of himself.

Walter W. Thompson represents the epitome of what we, as Americans, should aspire to be—a loving parent and grandparent, a leader in his community, a servant of the poor, and a shining example to all our youth.

EPA LAB VIOLATES AGENCY'S OWN RULES

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1986

Mr. FLORIO. Mr. Speaker, lax enforcement of our Nation's environmental laws has become a major concern over the past few years. Many of us fear that diminished resources and lack of will to enforce the law at the Environmental Protection Agency [EPA] have produced an atmosphere in which some of the less responsible members of the business community feel they can pollute with impunity.

This dangerous attitude is compounded when we find that the Federal Government itself is violating the law. A recent article from the Philadelphia Inquirer discloses that an EPA research laboratory in Edison, NJ, is itself located on top of a former Army dump site laced with toxic chemicals and radioactive substances. EPA has as yet done nothing to clean up this imminent hazard.

We must insist that the Federal Government abide by the same standards as it is supposed to apply to private industry, or our legal system becomes a mockery. I commend this article to my colleagues' attention:

SITE OF EPA TOXICS LAB IS ITSELF CONTAMINATED

(By Matthew Purdy)

Washington.—The federal Environmental Protection Agency laboratory in Edison, NJ., which helps direct responses to toxic emergencies around the nation, is itself located on a former Army site that has been found to be contaminated with toxic chemicals and radiation, according to federal officials

The chemical contamination at the former Raritan Arsenal munitions center, where mustard-gas canisters and chemicals used in explosives were buried underground, was noted briefly in studies in the 1960s before the laboratory was established. But new information on the contamination is being found as the EPA seeks to expand its operation on the Middlesex County site, according to Dan Travis, a project manager with the Army Corps of Engineers.

The radiation was discovered by chance during a training session in toxic emergencies late last year. EPA technicians were demonstrating a Gelger counter, which measures radiation, when the meter suddenly began beeping, indicating the presence of radioactivity. Travis said.

The technicians found that roofing tiles made of gypsum on the warehouse where the session was being conducted were emitting "natural radiation" at two to three times the background level, or the level found in a normal environment, Travis said. The discovery of the radiation was a coincidence, said one EPA official, who noted that it was found in buildings that were used only occasionally.

"Although the levels are higher than background, they are below the level that would require immediate remedial action," according to a December study of the site by the Army. A more conclusive test of the radiation levels is due soon.

Travis said the persistence of contamination on a site where the EPA has operated a toxics laboratory for more than 15 years was proving a minor embarrassment for the agency. "That's been one of the criticisms the EPA has gotten," Travis said. "They've been sitting on top of this time bomb."

Jim Marshall, the chief of external programs for EPA Region II, which has head-quarters in New York, said the levels of contamination found at the site did not warrant "alarm." However, Marshall said, "given the history of what the site has been used for, there are some questions you want to lay to rest."

The 3,188-acre Raritan Arsenal site was used as a storage and shipping point for ammunition, explosives, mustard gas and other military materials from 1917 until 1964. In 1964, ownership of the site was assumed by the General Services Administration, which sold all but about 240 acres to private businesses that operate offices warehouses and a hotel in an area renamed the Raritan Center Industrial Park.

For about 10 years during the 1960s and 1970s, according to federal officials, the GSA used its part of the old arsenal site as a giant storage area for paints and solvents, and officials suspect that some of the site was contaminated with those substances as well.

About 150 people work in the laboratory, which is set up to test contaminants not unlike the ones that have been found at the Raritan site. The EPA operation also contains a unit of the National Response Center, whose staff responds to environmental emergencies, such as spills of toxic substances. The environmental laboratory was established before the EPA was formed in 1970 and is on a site off Exit 10 of the New Jersey Turnpike.

Although there is no absolute information on the levels of contamination either in close proximity to the EPA laboratory or on the rest of the Raritan site, the federal government had taken steps to keep people off certain areas of the old arsenal grounds. When the GSA sold the land, it designated parts of some parcels as restricted or for nonuse because of contamination. However, EPA officials were unaware of the extent of the contamination until recently.

On a 1.7 acre nonuse area, for example, "liquid mustard gas from 55-gallon drums, 100-pound bombs and 100-pound containers were reportedly dumped into open pits containing decontamination solution, and the empty drums were also thrown in on top," according to the 1985 Army study. "Also, potassium cyanide and neutralized red foaming nitric acid were reportedly dumped in this area."

However, the extent of the current contamination from mustard gas and the other chemicals noted in the report is unclear. Travis said that a test in the 1960s showed a presence of mustard gas and that a 1979s test found no evidence of the gas. But Travis said no study had tried to locate buried canisters.

Although the EPA does not consider the contamination on the site of its laboratory to be a matter for alarm, Travis said the U.S. Defense Department was giving it top priority. Of the 7,000 former Defense Department sites identified nationwide as potential environmental hazards the Edison site ranks in the top three in priority, he said.

The site is considered a priority both because of the indications of contamination and because more than 1,000 people work on the old arsenal grounds, including government and private-business employees.

Travis said the Army Corps of Engineers hoped to secure up to \$2 million for a comprehensive study of the site to begin later this year. He said that if significant contamination was found, it could take five to six years to clean up the site.

'We don't own the property anymore, but we may have been responsible for some of the contamination," Travis said. Barbara Pastalove, EPA's regional envi-

ronmental-impact branch chief for the area covering New Jersey, said the EPA conducted surface tests of the soil in the area of the agency's laboratory last year and found some solvent contamination.

There were some spots that indicated that there was some solvent contamination and other things. It wasn't in-depth," she said of the test. "It was a surface analysis."

She said that follow-up tests were not done, but that more in-depth tests would be carried out in the forthcoming Army Corps study. She said the EPA was interested in the outcome of those tests for potential health effects and also to assess EPA's potential liability if the site was found to be more contaminated than was currently believed.

But based on the current information, she said, "I think we feel confident that anyone working out there is safe."

IN OBSERVANCE OF CAPTIVE NATIONS WEEK

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Monday, July 21, 1986

Mr. BROOMFIELD. Mr. Speaker, since 1959, we have set aside 1 week annually as a period of remembrance of the plight of the peoples of independent nations that came under Soviet control following the Second World War. In this, the 28th annual observance of Captive Nations Week, we express our continuing concern for-and solidarity with-the millions of human beings who continue to suffer repression in the pervasive grip of international communism.

Less than 3 weeks ago, the people of the United States celebrated the 210th anniversary of our Nation's birth as a free and independent state. As Americans, we have continued to enjoy the freedom to govern ourselves since 1776 when a few brave men representing their countrymen declared this Nation's independence.

Other nations have not been so fortunate. Soviet hegemony and expansionism have extinguished the flame of freedom from Eastern Europe to Afghanistan, from Vietnam, Laos, and Cambodia to Nicaragua. The Soviet appetite for the domination of people across the globe knows no bounds or limits.

As we devote our attention today to the many captive nations around the world, let us pause and consider the effects of our actions here in the Congress on the aspirations of people seeking freedom in those societies.

During the Fourth of July celebrations surrounding the reopening of the Statue of Liberty, Americans were reminded of the power of this symbol of our Nation's commitment to those who seek personal freedom and liberty. In our consideration of issues relating to foreign affairs here in the Congress, let us not lose sight of that splendid lady in New York Harbor. She symbolizes a commitment that we in this body must continue to stand behind, by our actions as well as by our

CONGRATULATIONS TO THE VOICE OF AMERICA

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Monday, July 21, 1986

Mr. KEMP. Mr. Speaker, I would like to share with you some thoughts about the Voice of America. What I am about to share with you, the VOA daily shares in over 42 different languages with millions of people all over the world. I hope my colleagues will join me in reflecting on the importance of the broadcasting of free and unrestricted thought, and congratulate the Voice on a job well done.

In America, we have been doing a lot of celebrating this July, but for those who work at the Voice of America, there's one more special occasion to mark. On Saturday July 12, the VOA celebrated the 10th anniversary of its charter.

A decade ago, just after the Nation celebrated the bicentennial of the Declaration of Independence, President Gerald Ford signed the VOA Charter into law. The charter was written years before, and the ideals expressed in it have guided the Voice of America since its very first broadcast in 1942. But on July 12, 1976, VOA's charter was given the force of law-approved by the U.S. Congress and signed by the President.

For more than 40 years, the Voice of America has been bringing the world the news, whether good or bad. In many parts of the world, objective information is in short supply-and great demand. Many governments devote their attention to controlling the news, not transmitting it. Instead of using the tools of the technological revolution to open lines of communication around the globe, they spend millions jamming radio signals to keep their people in the dark. VOA's responsibility is clear: It must be a reliable source of newsaccurate, objective, and comprehensive.

The Voice must also make America understood-the practices and pastimes of its people, their institutions, ideas and opinions. VOA broadcasts cultural programs, music and features of life in the United States. Its interview shows give America's many voices a chance to speak to the world. VOA also brings listeners commentary on current affairs from the broad spectrum of American opinion. This diversity is itself the hallmark of freedom of thought.

The charter also requires the Voice of America to present the policies of the U.S. Government. Many of its listeners are schooled in skepticism, because their own governments tailor the truth to their own interests. VOA editorials are meant not simply to tell listeners what our Government does, but why. We'll make our case-but the audience is free to make up its mind.

On July 12, VOA's Charter was 10 years old. But the ideals it embodies can be traced back much farther, to America's charter-the Declaration of Independence. The reasons for asserting our independence were offered-as Thomas Jefferson put it-as facts "submitted to a candid world" out of "a decent respect for the opinions of mankind." That respect is the very heart of free government. Opinions form the basis of decisions that belong by right to every individual-how to govern themselves, and their Nation.

The charter that binds the Voice of America forms a bond between us and the Voice's listeners. It is a promise to the people that the VOA speaks to every day-wherever they are-that a decent respect for their opinions will always be the Voice of America's guide.

BILL TO ALLOW CERTAIN OLDER INDIVIDUALS TARGET-ED JOBS CREDIT

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1986

Mr. CONTE. Mr. Speaker, I rise today to introduce legislation amending the Internal Revenue Code of 1954. This bill will allow employers to take the targeted jobs tax credit for employing certain older individuals, and extend by 3 years the termination date of the targeted jobs credit.

Currently, there are 10 classes of employees which enjoy the privileges of targeted groups. These include economically disadvantaged youth, vocational rehabilitation referrals, eligible work incentive employees, and supplemental security income recipients. Just as these groups benefit from the employer tax credit, so too should the elderly benefit. The elderly provide a valuable pool of experience and knowledge to society, yet encouragement is needed to push sometimes reluctant employers to tap this large reservoir of resources. I have therefore introduced this bill, which would allow older employees meeting certain requirements to be entitled to the status of a targeted group.

In order to be eligible, an employee:

First, must have attained the age of 55 by the hiring date;

Second, must be certified as having earned a gross income of not more than \$20,000 in the taxable year preceding the hiring date;

Third, must not earn more than \$20,000 during any taxable year for which credit is determined; and

Fourth, must not receive wages subsidized under the Older American Community Service Employment Act during any taxable year for which credit is provided.

The legislation goes on to outline more specific rules to prevent abuses of the targeted

group privilege.

My bill would also provide for an extension to 3 years of the targeted jobs credit, which may be cut to 2 years after the conference on the tax bill. The extra year would provide further incentives to hire any person falling into one of the targeted groups.

I urge my colleagues to carefully consider this legislation. It would help bring more older people back into the work force, thereby utilizing the qualifications they have from years of working experience.

BULGARIAN REPRESSION OF TURKISH MINORITY

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES Monday, July 21, 1986

Mr. COURTER. Mr. Speaker, I was pleased to become a cosponsor of House Joint Resolution 262. Mr. SILJANDER's resolution-now before the full Foreign Affairs Committeewhich condemns the brutal treatment of, and blatant discrimination against the Turkish minority within the Communist state of Bulgaria. Quiet news of the campaign to remove even the Turkish names of that ethnic population has been slipping out of Bulgaria for several years now. The breadth and insidiousness of that campagin should be made more public. I therefore welcome, and wish to introduce into today's RECORD, the Jack Anderson column of this morning which details some of the features of the Bulgarian Government's program. [From the Washington Post, July 21, 1986]

BULGARIA SUPPRESSES TURKISH MINORITY

(By Jack Anderson and Dale Van Atta)

Cultural genocide is being systematically practiced against Bulgaria's Turkish minority by the communist regime. Those who resist the government's attempts to stamp out all traces of Turkish language and customs, and the minority's adherence to the Moslem religion, are either imprisoned or shot

The plight of Bulgaria's ethnic Turks, who number about 1 million, or nearly 10 percent of the population, is described in cables to the State Department from the U.S. Embassy in Sofia. Our associate Lucette Lagnado has seen the cables and interviewed experts on the subject. Here's what she learned about this little-publicized trag-

The communist regime does not acknowledge that there are Turks in Bulgaria. One embassy cable noted that the government eliminated from statistical existence more than 1 million persons previously identified as [Turks]." This official creation of "unpersons" is "a socio-political feat of truly Orwellian proportions," the cable commented

In the past two years, the embassy reported, there have been "well-documented . police terror tactics used to isolate remote villages and force inhabitants to change their full names from Islamic to Slavic/ Christian Bulgarian names.'

The embassy reported violence when ethnic Turks resisted attempts to eradicate their cultural identity. The militia, backed by the army, entered Turkish communities and used "deadly force to reduce resist-ance," an embassy cable stated, adding: "There were several reported cases of mass civil violence, which resulted in hundreds of deaths and many more injuries.

While some resisters were imprisoned on political charges, this relatively mild treatment was reserved for the "Turkish minority elite—party officials, teachers, etc.," the embassy reported. Most of the recalcitrant ethnic Turks were subjected to naked force. "Refusal to agree quickly to a name change was met by documented cases of summary

executions. . . . Individual killings seem to have been more widespread.

As the poorest, least assimilated and worst-treated of any minority in Bulgaria. ethnic Turks are considered easy targets for Khomeini-style Moslem fundamentalism-a possibility that frightens the communist rulers. The embassy has received "reports of razed mosques and . . . pressure against fundamental Islamic religious practices razed mosques and pressure against such as circumcision and funerals.

Turkish-language publications were once numerous and widely read by the ethnic minority. But last year the government stepped in and the publications were "abruptly published only in Bulgarian," the embassy reported. At the same time, Turkish-language radio broadcasts were eliminat-

The communist regime prudently applies its anti-Turkish discrimination to military service. As the embassy has explained: "The Bulgarian constitution's alleged 'equal treatment' of . . . citizens does not apply to the Turks when it comes to military duty. The Turks are placed into uniformed labor battalions and are not entrusted with weap-

MILITARY ASSISTANCE TO BOLIVIA

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1986

Mr. COUGHLIN. Mr. Speaker, I would like to congratulate the bold leadership of President Reagan and Vice President Bush in the war against drug trafficking. In the last few days we have learned of the United States military's involvement in a planned, massive drug raid in Bolivia at the desperate summons of Bolivian President Victor Paz Estenssoro. United States officials have persisently pressured Bolivian authorities to crack down on. the country's native drug trade and Bolivia's new determination to do so is indeed a long awaited development.

As a member of the Select Committee on Narcotics Abuse and Control, several other members and I visited seven South American countries in August 1985 where we reviewed the status of illicit narcotics production and trafficking. We met with President Victor Paz Estenssoro who called attention to the limited resources Bolivia possesses for combating illicit cocaine production in his country. Bolivia. a poor nation of 6.4 million people, is estimated to supply one-third to one-half of the world's coca paste, the extract from the coca leaf that is refined into cocaine crystals. Illegal cultivation has spread in Bolivia along with the expansion in the wealth and influence of Bolivian traffickers despite a signed commitment in 1983 by Bolivian authorities to eradicate thousands of acres of coca leaves. Crop substitution efforts have proven to be very expensive and basically futile, because so much of the coca leaf can be produced in such small areas. Unfortunately, it is difficult to outbid drug trafficking to find a comparable, profitable substitute crop to produce.

Our Coast Guard efforts at drug interdiction in the waters around our borders have proven costly and not nearly effective enough to make a dent in the surge of drugs pouring into

our country. Cocaine is shipped in such concentrated forms that it is often difficult to

I have consistently and firmly believed that the choke point in stemming the interdiction of cocaine trade are the illicit labs situated in isolated areas of the Latin American countries. Although often hidden deep in the jungle. these labs are fairly readily identifiable because they emit such intense and identifiable infrared heat which is necessary to process coca paste into cocaine. In addition, these labs often have some form of clandestine airstrip. United States Drug Enforcement Administration officials have known the location of many of the hidden labs for months, but Bolivia's United States-trained antinarcotics police units has been unable to attack because it has no aircraft. For more than a year, I have been recommending the use of reconnaissance aircraft and helicopters equipped with infrared detection equipment, as well as additional DEA agents to lead local Bolivian officials to the illicit labs in order to eliminate

I laud the President and Vice President for their initiative. I support the use of U.S. military assistance in helping other nations fight narcotics trafficking, as well as the expanded use of American intelligence, in light of the explosive flow of drugs into this country, which has decidedly posed a threat to our national security.

A military initiative, however, does not negate the need for a major effort to attack the demand side of the narcotics trafficking crisis in this country. Educating this country's population, especially our youth, about the dangers of cocaine is a measure that cannot be ignored. We were made painfully aware of the reality that cocaine kills, by the recent, untimely deaths of Len Bias and Don Rogers, two physically fit young athletes in the prime of their lives. We must address the frightening contradiction that cocaine, often thought of as the provider of a purely recreational high, is addicting and it kills.

A BILL MAKING HOME OXYGEN THERAPY MORE COST EFFEC-TIVE

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1986

Mr. WYDEN. Mr. Speaker, today I am introducing a bill that will insure that elderly home care patients receive needed oxygen services while saving the taxpayers money by making those services more efficient.

Under current law, as incredible as it seems, the Federal taxpayer is being billed under Medicare for oxygen the patients are not using. Under the present system, home oxygen suppliers can choose whatever delivery system they wish-regardless of efficiency and expense. These delivery systems often pump oxygen that individuals are not inhaling. Our reimbursement system-which is still based on costs incurred-simply doesn't encourage cost effectiveness.

My bill would change this situation by establishing a single monthly payment rate based on the patient's individual prescription, the amount of oxygen used and the average reasonable cost. The supplier would be encouraged to deliver oxygen in the manner that most efficiently meets the needs of the patient

Medicare beneficiaries, however, would be assured of getting the right amount of treatment. The payment rate is based on the physician's prescription, so patients will always have access to necessary oxygen. There is a minimum monthly floor for oxygen reimbursement, to ensure that patients with smaller prescriptions are not denied oxygen. Moreover, my bill insures prompt payment for suppliers.

Medicare already pays more than \$400 million a year for home oxygen therapy. With increasing numbers of patients needing treatment for chronic obstructive lung disease, this number will hit \$1 billion within 5 years.

The staff of the Congressional Budget Office, in an unofficial estimate to my office dated June 16, said my bill will save \$310 million in 5 years. As a result, Medicare spending will be kept down and it will be able to continue serving the elderly.

Medicare has already instituted prospective payment for hospital services. It is time we extended this commonsense, cost-saving ap-

proach to suppliers as well.

In developing this legislation, I've worked closely with the American Association of Retired Persons, an excellent organization working for the needs of our elderly. As the attached letter demonstrates, the AARP supports my efforts to make home oxygen therapy more cost effective.

AARP.

Washington, DC, July 14, 1986. Representative Ron Wyden, House Office Building,

Washington, DC

DEAR REPRESENTATIVE WYDEN: I am writing to state the American Association of Retired Persons' (AARP) support for your efforts to rationalize the payment mechanism for home oxygen therapy services under Medicare and the intended effect of reducing waste and beneficiary out-of-pocket costs are appreciated.

The incentives driving Medicare's prospective pricing system (PPS) under diagnosis related groups (DRGs) are forcing beneficiaries out of the hospital quicker than in the past. As a result, many of these patients are still in need of a variety of services, including oxygen therapy services. Under current law, Medicare beneficiaries must pay a 20 percent out-of-pocket copayment for the rental of home oxygen equipment and a 20 percent copayment on the overall monthly cost of home oxygen therapy.

Your proposal to reduce Medicare's oxygen costs through a system of prospectively determined fee schedules for home oxygen services could help to reduce beneficiary out-of-pocket expense by reducing costs associated with waste and oversupply, and thereby reduce the amount subject to copayment by the Medicare beneficiary.

AARP is pleased to see that your proposal would require a study to determine the effect prospective pricing will have on the availability of the variety of oxygen therapy services, effect of this proposal on beneficiaries, and the decision to rent or purchase related equipment.

The Medicare prospective payment system is rapidly changing the location mix of services and costs of services to beneficiaries. Your intent to reduce out-of-pocket costs by rationalizing and reducing the cost of home oxygen services is an important step in assisting beneficiaries in containing health care costs.

Sincerely

JOHN ROTHER Director, Division of Legislation, Research and Public Policy.

Mr. Speaker, Mr.LELAND and Mr. GREEN have already joined me in sponsoring this important legislation. I urge others of my colleagues to join me also.

67,000 CASES OF CHILD ABUSE-**NEW FINDINGS**

HON. GERRY SIKORSKI

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1986

Mr. SIKORSKI. Mr. Speaker, at the annual meeting of the Academy of Behavioral Medicine Research this month, Dr. Gene Abel of Emory University described his 10 years of research on child abusers. Among his important findings, Abel discovered that the typical offender molests an average of 117 youngsters, most of whom do not report the offense.

Abel's in-depth study of 571 sex offenders who committed 67,000 cases of child-sexual abuse underscores the urgent need to devise a more effective method of attacking this crime.

About half of the States have set up State registries, some assisted by Federal funds that Congress made available for development of screening systems to give employers of child care providers one way to avoid hiring known child abusers.

The problem with screening by means of arrest records is, as Abel points out, "arrests for sex offenders have very little to do with what crimes they have committed.'

As a father, a member of the Select Committee on Children, Youth and Families and a former chairman of the Health, Welfare and Corrections Subcommittee of the Minnesota Senate, I am aware of the need for better reporting and recordkeeping systems. Federal policy decisions are based on data collected from the States, many of which define child abuse only as intrafamilial acts.

Data flowing into the Parents League of the United States, on whose board of trustees I sit, confirm what each of us knows from reading the newspapers-namely, that child abusers strike outside of the family as well as inside. In reporting his recent findings, Abel commented "Everyone is so surprised that a priest is a child molester, or that a school teacher is a child molester. I am flabbergasted that anyone would be surprised. Child molesters select out jobs to access kids."

A pattern has been established in this country of repeat offenders who go undetected. To better understand the phenomenon, I com-mend to you the following article from the Washington Post health section of June 18, WHO WOULD SEXUALLY ABUSE A CHILD?

(By Sally Squires)

WILLIAMSBURG, Va-The largest and most extensive review of child sex abuse cases ever undertaken has revealed this surprising portrait of the typical offender:

Almost always, the sex offender is a male. He typically begins molesting by age 15

but often starts even younger.

He molests an average of 117 youngsters. most of whom do not report the offense.

He engages in a variety of deviant behaviors that may include everything from window peeping to rape.

His victim is likely to be a boy he knows. These are conclusions reached by Dr. Gene Abel of Emory University in Atlanta, after studying 571 sex offensers who had committed 67,000 cases of child sex abuse. The study was funded by the National Institute of Mental Health and conducted with psychologist Judith Becker, director of the sexual behavior clinic at the New York State Psychiatric Institute and Clinic. Results will be published in an upcoming issue of the journal Archives of General Psychiatry and in the Journal of Interpersonal Vio-

"Everyone is so surprised that a priest is a child molester, or that a school teacher is a child molester," said Abel. "I am flabbergasted that anyone would be surprised. Child molesters select out jobs to access kids. That's why they become pediatricians, child psychiatrists and they work in boys camps in the summer.'

Abel presented the findings of his 10 years of research at the annual meeting of the Academy of Behavioral Medicine Research,

held here earlier this month.

A psychiatrist specializing in the treatment of sexual behavior, Abel says his work is different from most studies of sex offenders because other studies have usually focused on people in prison. While offenders in prison are often promised that their statements would not be used against them. Abel said that few jailed sex offenders are willing to speak freely about what other crimes they may have committed.

I believe that most of the information that is in the [scientific] literature is irrelevant because of the confidentiality issue," he said. "Quite frankly, arrests for sex offenders have very little to do with what crimes they have committed."

As evidence, Abel pointed to the difference between what convicted child molesters said in a probation office and what they

said in his clinic. Sex offenders in probation officers were asked, "How many sex crimes have you committed?" The men usually reported committing one to four sex crimes-figures that agreed with their arrest records.

Later, these same men were asked the same question at Abel's sexual behavior clinic. This time federal authorities guaranteed in writing that the researchers would never be required to testify in any U.S. court about the interviews, and the sex of-fenders were identified only by number, not by name. Under these conditions, they confessed to committing an average of 75 sex crimes each.

There is a vast difference in the information one collects dependent upon the confidentiality," Abel said.

Abel's research has also dispelled several other myths about sex offenders.

Myth No. 1: Sex offenders commit only one type of crime.

Sex researchers and police have long believed that men who expose themselves or peep into windows are unlikely to rape a woman or attack a child. Other widely held opinions are that obscene phone callers rarely, if ever, carry out their lewd suggestions, and that the man who fondles a neighbor's child would never do the same with one of his own children.

What Abel finds, however, is that when sex offenders target their victims, they "cross gender, they cross age, they cross fa-

milial relationships.

'They are doing all sorts of things." In his study, 208 men confessed to molesting young girls from outside their families. 'Out of those," Abel said, "37 percent also had histories or were currently molesting boys outside the home, 30 percent were molesting girls inside the home, 10 percent were molesting boys in the home, 20 percent were rapists, 28 percent were exhibitionists, 14 percent were voyeurs, 10 percent were frotteurs [they touched women in crowds], 4 percent were sadists and 20 percent were doing other things."

The study also revealed new information about exhibitionists. "Exhibitionists are just supposed to be nice friendly folk who just flash, right?" he said, "That's not the case."

Abel found that almost half the exhibitionists in his study were also molesting children. One in five of these men were victimizing children in their own homes. Slightly more than 20 percent were raping women, and close to 30 percent were peeping in windows.

"What does this tell us?" Abel asked. Sex offenders "do everything."

Myth No. 2: Girls more often than boys are the victims of child sexual abuse.

Abel's study suggests that boys are far more likely to be victims of sex abuse than previously believed. It is estimated that two thirds of all victims molested outside the home are boys.

While girls are more frequently the victims of hands-off crimes, such as exhibitionism and window peeping, Abel said, boys are more likely victims of hands-on attacks. which involve some form of physical sexual abuse.

Hands-off crimes occurred less frequently than hands-on and involved about 40 percent of the children in the study. Six in 10 of these youngsters were age 14 or older, and girls constituted "99 percent of all the hands-off behavior targets," Abel said. This is why he believes that girls are considered the most likely victims of sex abuse.

In hands-on crimes, the majority of victims studied-some 62 percent-were boys.

"The big sex crime of child molestation is against boys," Abel said. "And those who molest boys molest in big numbers.

For the 153 offenders studied who had sexually attacked young boys, the average number of molestations was 281. Those who molested girls had committed an average of 23 molestations. By comparison, 126 rapists studied had raped an average of seven

Myth No. 3: Sex offenders of children don't begin their crimes until later in life.

'We asked all of these individuals how old they were when they started to do whatever they did," Abel said. Approximately half reported beginning to attack children or engage in window peeping or exhibitionism by age 15. Some said that their deviant behavior began as early as age 8.

"What does that mean?" Abel said. "These problems begin at a very early age." Yet most current efforts at curbing child

sexual abuse focus on treating victims-a method which is "irrelevant in terms of prevention," he said.

Other reasons Abel advocates early detection of child sex abusers are these statistics: Sex offenders 18 and younger reported an average of seven child or teenage victims. Sex offenders older than 18 reported an average of 380 young victims.

'That's a 50-fold increase in the number of victims," Abel said. "That's another reason why we need to do something about

sex offenders at an early age.'

Myth No. 4: No good treatment exists for sex offenders. They must be put in jail.

The treatments are already available," Abel said. "They've been [tested]. They're rather inexpensive. We can treat 10 outpatients for every one incarcerated patient.

In a companion study, Abel and Becker found that behavior therapy, designed to change how sex offenders think and act, can be successful in treating men with these problems. "The success rate is running between 85 and 87 percent," Becker said. A new study of 110 teen-age offenders, 13 to 18 years old, being conducted at the New York State Psychiatric Institute, suggests that the behavior program can also help the very young offender. Becker said.

But the real difficulty, Abel said, is how to get the public to accept the fact that the majority of sex offenders do not go to jail. One out of 80 crimes actually leads to an arrest. Even those who are convicted spend an average of only three years in prison. "Then they are right back out on the street," Abel said.

"The people who molest your children are your neighbors," he said. "They didn't fly in from out of state." When sex offenders are caught, they are typically jailed, he said, because "quite frankly, everyone kind of wants an eye for an eye.

But we have to stop getting so emotionally involved in the situation and get concerned about preventing these crimes by helping these individuals control their be-

The current system of treating children after they have been molested is "a meager attempt," he said that does nothing to prevent the attack from occurring in the first

'There will never be enough money, there will never be enough therapists to do that," he said. "It's not going to work."

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest-designated by the Rules Committee-of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the Congressional

RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, July 22, 1986, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 23

9:30 a.m.

Armed Services

Task Force on Inventory Management, to review inventory management control in the Department of Defense.

SR-232A

Banking, Housing, and Urban Affairs To hold oversight hearings on the Federal Reserve's second monetary policy report for 1986.

SD-538

Commerce, Science, and Transportation Business meeting, to consider pending calendar business.

SR-253

Finance

To hold hearings on S. 1865 and S. 1837, bills providing for a new round of multilateral trade negotiations to reduce or eliminate trade barriers and distortions, and to revise U.S. trade and financial agreements to meet specified objectives (S. 1865 incorporated in S. 1860 as Title IV).

Governmental Affairs

To hold hearings to review the recent U.S. Supreme Court decision on the constitutionality of the Gramm-Rudman Balanced Budget Act.

Rules and Administration

To hold hearings on S. Res. 330, to establish within the U.S. Senate a Special Committee on Families, Youth, and Children.

Select on Intelligence

To hold closed hearings on intelligence matters.

10:00 a.m.

Energy and Natural Resources

Business meeting, to resume consideration of S. 2427, to improve the administration of the Federal coal leasing program, and to begin consideration of certain spending reductions and revenue increases to meet reconciliation expenditures as imposed by S. Con. Res. 120, setting forth the Congressional budget for the United States Government for fiscal years 1987, 1988, and 1989, and other pending calendar business.

SD-366

Environment and Public Works

Business meeting, to continue consideration of S. 2405, authorizing funds for fiscal years 1987, 1988, 1989, and 1990, for the Federal-Aid Highway program.

Foreign Relations

To continue hearings on the situation in South Africa.

SD-419

Select on Indian Affairs

To hold hearings on S. 2105, S. 2106, S. 2107, bills to provide for the settlement of certain water rights claims of the Papago Indian Tribe of Arizona, and S. 2564, to provide for the proper administration of justice within the Salt River Pima-Maricopa Indian Reservation by granting jurisdiction to the Salt River Pima-Maricopa Indian Community Court over certain criminal misdemeanor offenses.

SR-385

1:30 p.m. Finance

Business meeting, to continue consideration of certain spending reductions and revenue increases to meet reconciliation expenditures as imposed by S. Con. Res. 120, setting forth the Congressional budget for the United States Government for fiscal years 1987, 1988, and 1989.

SD-215

2:00 p.m.

Armed Services

Business meeting, to hear and consider the nomination of George Woloshyn, of Virginia, to be an Associate Director of the Federal Emergency Management Agency, and routine military nominations, to be followed by a closed business meeting, to further discuss the provisions of S. 2638, authorizing funds for fiscal year 1987 for the Department of Defense, authorizing funds for fiscal year 1987 and 1988 for national security programs of the Department of Energy, and authorizing funds for fiscal year 1987 for military construction programs (pending on Senate calendar).

SR-222

Energy and Natural Resources Water and Power Subcommittee

To hold hearings on S. 1149, to allow State commissions to determine whether to exclude all or part of a rate set by the Federal Energy Regulatory Commission based on construction cost, and related matters.

SD-366

3:30 p.m.

Conferees

On H.R. 2005, to extend and amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (Superfund).

SD-G50

JULY 24

9:30 a.m.

Appropriations

District of Columbia Subcommittee

To hold hearings to discuss the legal drinking age in the District of Colum-

Governmental Affairs

To hold hearings on the nomination of John H. Suda, to be an Associate Judge of the Superior Court of the District of Columbia.

SR-301

Joint Economic Economic Resources, Competitiveness, and Security Economics Subcommittee To hold hearings on long-term economic consequences of recent demographic trends.

2359 Rayburn Building

Commerce, Science, and Transportation Merchant Marine Subcommittee

To hold hearings on operating differential subsidy programs reform.

SR-253

Energy and Natural Resources

Natural Resources Development and Production Subcommittee

To hold hearings on S. 1026, to implement the policies of the proposed Continental Scientific Drilling Program of the United States relating to earth science research and technological devel-

SD-366

opment. Foreign Relations

To continue hearings on the situation in South Africa.

Governmental Affairs

Intergovernmental Relations Subcommit-

To hold hearings on S. 2037, to improve the targeting of Federal aid for the General Revenue Sharing program, and other related proposals.

Judiciary

Business meeting, to resume consideration of S. 1140, to preserve and promote wholesale and retail competition in the retail gasoline market and to protect the motoring safety of the American public, and other pending calendar business.

SD-342

Small Business

Business meeting, to consider proposed legislation authorizing the sale of certain Small Business Administration loans in order to meet reconciliation instructions as imposed by S. Con. Res. 120, setting forth the Congressional budget for the United States Government for fiscal years 1987, 1988, and 1989.

SR-428A

Conferees

On H.R. 3838, to reform the Internal Revenue laws of the United States.

1100 Longworth Building

2:00 p.m.

Apropriations

To meet to consider subcommittee allocations of budget outlays and new budget authority allocated to the committee as contained in S. Con. Res. 120, setting forth the Congressional budget for the United States Government for fiscal years 1987, 1988, and 1989, under the provisions of 302(b)(1) of the Congressional Budget Act of

S-128, Capitol

Rules and Administration

Business meeting, to consider proposed legislation authorizing funds for fiscal year 1987 for the Federal Election Commission, H. Con. Res. 288, authorizing printing of additional copies of a committee print, H. Con. Res. 301, authorizing printing of additional copies of a message from the President, S. Res. 438, directing the Senate Committee on Rules and Administration to study the Senate rules and precedents applicable to impeachment trials, S. Res. 439, to authorize the reprinting of Senate Document 93-102, 93rd Congress, 2nd session, entitled "Procedure and Guidelines for Impeachment and Guidelines for Impeachment Trials in the United States Senate",

and other pending legislative and administrative business.

SR-301

3:30 p.m.

Select on Intelligence

Closed briefing on intelligence matters.

On H.R. 2005, to extend and amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (Superfund). 2322 Rayburn Building

JULY 25

9:30 a.m.

Commerce, Science, and Transportation Surface Transportation Subcommittee

To hold hearings on the establishment of new short-line and regional railroads.

SR-253

10:00 a.m.

Energy and Natural Resources

Business meeting, to resume consider-ation of certain spending reductions and revenue increases to meet reconciliation expenditures as imposed by S. Con. Res. 120, setting forth the Congressional budget for the United States Government for fiscal years 1987, 1988, and 1989, and other pending calendar business.

Environment and Public Works

To hold hearings on the nominations of Thomas L. Adams, Jr., of Kentucky, to be Assistant Administrator for Enforcement and Compliance Monitoring of the Environmental Protection Agency, and Kenneth M. Carr, of California, to be a Member of the Nuclear Regulatory Commission.

SD-406

On H.R. 3838, to reform the Internal Revenue laws of the United States 1100 Longworth Building

2:00 p.m.

On H.R. 2005, to extend and amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (Superfund). 2123 Rayburn Building

JULY 26

10:00 a.m.

Conferees

On H.R. 3838, to reform the Internal Revenue laws of the United States 1100 Longworth Building

JULY 27

10:00 a.m.

Conferees

On H.R. 3838, to reform the Internal Revenue laws of the United States. 1100 Longworth Building

JULY 29

9:00 a.m.

Office of Technology Assessment

The Board, to meet in open and closed sessions, to discuss pending business matters.

S-407, Capitol

Agriculture, Nutrition, and Forestry

Foreign Agricultural Policy Subcommittee To resume hearings to review agricultur-al trade issues, focusing on the impact of the 1985 farm bill (P.L. 99-198) on world agricultural trade.

SR-332

International Trade Subcommittee

To hold hearings on S. 2614, to establish customs regulations allowing parallel importation of genuine, trademarked articles in the case where related parties own the trademarks in the United States and abroad.

SD-215

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

*Judiciary

To hold hearings on the nomination of William H. Rehnquist, of Virginia, to be Chief Justice of the United States.

3:00 a.m.

Select on Ethics

Closed business meeting, to discuss pending committee busines

S-128, Capitol

JULY 30

9:30 a.m.

Rules and Administration

To hold oversight hearings to review the activities of the Office of the Senate Sergeant at Arms.

Agriculture, Nutrition, and Forestry

Business meeting, to consider S. 2346 and S. 2215, bills to authorize funds for the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), establishing the standards by which the Environmental Protection Agency regulates the production and application of pesticide used for agricultural and other purposes.

SR-332

Finance

To hold hearings on S. 1871, relating to imports which threaten to impair the national security (incorporated in S. 1860 as Title X).

Select on Intelligence

To hold closed hearings on intelligence matters.

SH-219

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Governmental Affairs

Energy, Nuclear Proliferation and Government Processes Subcommittee

To hold hearings to examine energy innovation and the patent process

*Judiciary

To continue hearings on the nomination of William H. Rehnquist, of Virginia, to be Chief Justice of the United States.

SD-106

Labor and Human Resources

Business meeting, to consider pending calendar business.

SD-430

2:00 p.m.

Finance

Social Security and Income Maintenance

Programs Subcommittee
To hold hearings on S. 2209, to make permanent provisions of the Social Se-

curity Act which allow disabled recipients of benefits under the Supplemental Security Income program to receive benefits while working.

SD-215

JULY 31

9:00 a.m.

Commerce, Science, and Transportation To hold hearings on scrambling of satellite delivered video programming. SR-253

9:30 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to consider S. 2346 and S. 2215, bills to authorize funds for the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), establishing the standards by which the Environmental Protection Agency regulates the production and application of pesticide used for agricultural and other purposes.

Energy and Natural Resources

Public Lands, Reserved Water and Resource Conservation Subcommittee

To hold hearings on S. 2159, to designate the Big Sur National Forest Scenic Area in California.

SD-366

Environment and Public Works
Environmental Pollution Subcommittee

To resume oversight hearings on the implementation of section 404 of the Clean Water Act, relating to the wetlands dredge and fill permit program.

SD-406

10:00 a.m.

Judiciary

To continue hearings on the nomination of William H. Rehnquist, of Virginia, to be Chief Justice of the United States.

SD-106

4:00 p.m.

Select on Intelligence

Closed business meeting, to be followed by a closed briefing on intelligence matters.

SH-219

AUGUST 1

9:30 a.m.

Finance

International Trade Subcommittee

To hold hearings on S. 1817, to temporarily suspend Most Favored Nation status for Romania for six months, and S. 1492, to permanently withdraw Most Favored Nation status for Roma-

AUGUST 5

9:30 a.m.

Agriculture, Nutrition, and Forestry Foreign Agricultural Policy Subcommittee To resume hearings to review agricultur-

al trade issues.

Rules and Administration

To hold hearings on the nomination of Thomas J. Josefiak, of Virginia, to be Member of the Federal Election Commission, proposed legislation authorizing funds for the American Folklife Center of the Library of Congress, S.J. Res. 268, to provide for the reap-pointment of Murry Gell-Mann as a citizen regent of the Board of Regents of the Smithsonian Institution, S.J. Res. 269, to provide for the reappointment of David C. Acheson as a citizen

regent of the Board of Regents of the Smithsonian Institution, and S. 1311, to authorize the Board of Regents of the Smithsonian Institution to plan, design, and construct facilities for the National Air and Space Museum at Washington Dulles International Air-SR-301

10:00 a.m.

Energy and Natural Resources Natural Resources Development and Pro-

duction Subcommittee

To hold hearings on prospects for exporting American coal.

Judiciary

To hold hearings on the nomination of Antonin Scalia, of Virginia, to be an Associate Justice of the Supreme Court of the United States.

SD-106

AUGUST 6

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Environment and Public Works

Business meeting, to mark up S. 1225, to revise certain provisions of the Atomic Energy Act of 1954 regarding liability of nuclear accidents.

SD-406

Judiciary

To continue hearings on the nomination of Antonin Scalia, of Virginia, to be an Supreme Associate Justice of the Court of the United States.

SD-106

AUGUST 7

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Judiciary

To continue hearings on the nomination of Antonin Scalia, of Virginia, to be an Associate Justice of the Supreme Court of the United States.

SD-106

AUGUST 12

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Labor and Human Resources

Aging Subcommittee

To hold hearings to review certain reauthorization provisions of the Older Americans Act.

SD-430

AUGUST 13

Energy and Natural Resources

To hold hearings on H.J. Res. 17, to consent to an amendment enacted by the legislature of the State of Hawaii to the Hawaiian Home Commission Act. 1920.

SD-366

10:00 a.m.

Labor and Human Resources

To hold hearings to review the private sector initiatives in human services.

SD-430

SD-538

EXTENSIONS OF REMARKS

AUGUST 14

10:00 a.m.

Energy and Natural Resources
Business meeting, to consider pending
calendar business.

SD-366

Judiciary

Business meeting, to consider the nominations of William H. Rehnquist, of Virginia, to be Chief Justice of the United States, Antonin Scalia, of Virginia, to be an Associate Justice of the Supreme Court of the United States, and other pending calendar business.

SD-226

SEPTEMBER 9

9:30 a.m.

Labor and Human Resources
Employment and Productivity Subcommittee

To hold hearings to review graduate medical education in ambulatory settings.

SD-430

SEPTEMBER 10

10:00 a.m.

Labor and Human Resources

To hold hearings to review the human resources impact on drug research and space technology.

SD-430

SEPTEMBER 16

10:00 a.m.

Labor and Human Resources
To hold hearings on pending nominations.

SD-430

SEPTEMBER 24

10:00 a.m.

Labor and Human Resources
Business meeting, to consider pending
calendar business.

SD-430

CANCELLATIONS

JULY 22

9:30 a.m.

Banking, Housing, and Urban Affairs
Business meeting, to mark up S. 2592, to
strengthen Federal deposit insurance

programs and to enhance competition in the financial services sector.

Social Security and Income Maintenance Programs Subcommittee

To resume joint hearings with the Committee on Labor and Human Resources' Subcommittee on Employment and Productivity to examine how and to what extent employment and training can lead to economic independence for recipients of benefits under the Aid to Families with Dependent Children program.

SD-430

Labor and Human Resources
Employment and Productivity Subcommittee

To resume joint hearings with the Committee on Finance's Subcommittee on Social Security and Income Maintenance Programs to examine how and to what extent employment and training can lead to economic independence for recipients of benefits under the Aid to Families with Dependent Children program.

SD-430